


**1999  
Annual  
Report**

**Sharpening  
the  
focus**





# Contents

Year at a Glance  
**1**

Letters of Transmittal  
**2**

Vision, Mission and Values  
**3**

Chairman's Report  
**4**

CEO's Report  
**10**

Executive Management  
**15**

1999 Performance Highlights  
**18**

Statistical Summary  
**28**

Unamortized Industry Fund Balances  
**31**

Injury Frequency/Duration  
**32**

Financial Report 1999  
**33**

# Year at a glance

100-05313/

	1999	1998	1997	1996	1995
Number of workers covered *	314,048	315,190	301,665	292,821	288,222
Last time claim rate (per 100 workers)**	4.17	4.15	4.35	4.30	4.60
Number of claims reported	36,346	37,657	38,954	37,169	36,629
Number of lost time claims accepted**	13,108	13,081	13,430	13,018	13,320
Number of recurrent claims ***	5,928	5,058	3,937	3,804	5,858
Permanent Functional Impairment awards	390	320	416	386	389
Fatal claims accepted	31	27	34	24	22
Number of appeals filed					
Appeals Committee	757	807	657	727	467
Board Level	212	246	215	221	189
Return to work percentages					
Secondary treatment centres	87%	84%	76%	Program was launched September 1996	
Tertiary treatment centres	67%	70%	74%		
Claims costs (in millions)	142.1	135.2	127.0	112.2	143.6
Employer accounts processed ****	32,606	32,046	31,681	30,745	30,254
Premium revenue (in millions)	141.5	141.7	169.9	146.8	133.1
Average actual premium rate (per \$100 of insurable earnings)	1.77	1.80	2.09	2.02	1.86
Investment revenue (in millions)	96.2	78.8	67.1	54.2	40.6
Benefits liabilities (in millions)	592.1	575.8	556.7	541.6	467.3
Reserves and Injury Fund (in millions)	132.3	139.1	114.5	38.5	49.6

\* Full-time equivalent workers based on Statistics Canada average wage and WCB payroll information. Average invoiced premium rate is adjusted at year end to reflect actual vs. provisional payroll.

\*\* Lost time claims and the lost time claim rate are projected. This approach is taken to ensure claims for accidents occurring in the year, but not yet reported by year end, are considered.

\*\*\* Previously inactive claims that required further adjudication or case management. Claims may reopen for a number of reasons such as payments for medical aid or requests for further compensation benefits.

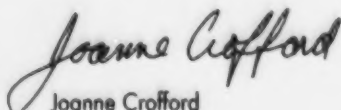
\*\*\*\* Includes only employers whose assessment accounts were open during January - December, 1999. Does not include employers whose assessment accounts were finalized during the same period.

# Letters of Transmittal

The Honourable Lynda Haverstock  
Lieutenant Governor  
Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report  
of the Workers' Compensation Board  
for the Calendar Year 1999.

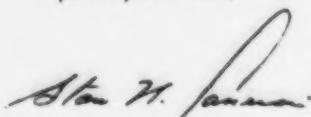


Joanne Crofford  
Minister of Labour

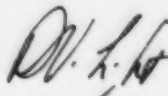
The Lieutenant Governor in Council:

We are pleased to submit the seventieth  
Annual Report of the Workers'  
Compensation Board for the year  
ending December 31, 1999.

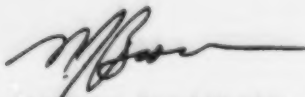
Respectfully submitted,



Stan N. Cameron, Chairman



Darlene V. Light, Board Member



N.J. Brown, Board Member

## Vision

To lead in the provision of work injury insurance and services, committed to our principles, values, our staff and those we serve.

## Mission

Treating all with dignity, we will, in a fair, open, honest and professional manner:

- 1 Promote, preserve and apply the Meredith Principles.
- 2 Maintain, enhance and be responsible for the WCB work injury insurance program on behalf of workers and employers, and with consideration of other stakeholders.
- 3 Continue to create and improve positive relationships with workers, employers and other stakeholders.
- 4 Expect and recognize individual and team contributions in our workplace.
- 5 Be accountable to workers and employers, and consider differing perspectives and interests.
- 6 Communicate our distinctive identity, benefits and values.

A mission statement describes the organization's preferred approach for reaching our future. It complements the vision statement by describing what we do.

## Values

- **Dignity** Those we serve, and those we work with, are treated with respect and consideration.
- **Fair** Those we serve, and those we work with, are treated equally and without prejudice or bias.
- **Open** Our programs and services are easily accessed and understood. Our decisions and actions are clear, appropriate and open to examination.
- **Honest** Those we serve, and those we work with, are treated truthfully.
- **Professional** Our services are delivered by skilled and competent employees, knowledgeable about the purpose and goals of the compensation system.
- Value statements set out the standards by which actions and decisions are to be considered by our employees, and to be judged by our stakeholders and strategic partners.



# —Chairman's Report



Left to right:  
Norm Brown, Board Member;  
Stan Cameron, Chairman;  
Darlene Light, Board Member

The theme of this year's annual report is "Sharpening the Focus." That we choose such a theme is a natural progression, following the previous year's document that reported on the new level of financial stability the organization had achieved.

As you read further in this review of 1999, you will see that the CEO's report explores the operational implications of a sharpened focus on service and performance.

However, from the governance perspective of the Chairman and the Board Members, the current period of financial stability has also allowed us to clarify our focus on the purpose and role of the workers' compensation system in Saskatchewan.

## **A seven-year path to the 21st century**

Three first-time members were appointed to a completely new governing Board of the WCB in 1993. From the start we shared a deep personal belief in the vital role that a legislated workers' compensation system plays in our society.

The compensation system provides protection for both workers and employers. Through this protection the system helps bring the people of Saskatchewan a higher level of social harmony and economic stability.

The WCB's mandate had been established when the Province – in an historic accord between workers and employers – created the compensation system in 1930.

As new Board Members in 1993, our challenge was to create a revitalized organization that could effectively deliver on the historic role, and do so amid the new demands of the modern, fast-changing business world at the dawn of the 21st Century.


Our first attention was given to resolving long-simmering labour contention between the WCB and its staff. As part of resolving those issues, we worked hard to lay the groundwork for a more constructive, consultative environment that would promote more harmonious relations in the future.

The next priority was an internal reorganization that would allow staff to better meet the demands of growing caseloads. It is a credit to our staff that they adapted quickly to this reorganization – a strenuous workout for the WCB, but one that allowed front line staff to provide more selective care and attention to the special needs of each client.

By 1996, organizational change had culminated in the creation of a Chief Executive Officer position and the hiring of Peter Federko to fill the post. At the same time, following







a lengthy review of client care, we introduced the early intervention process to enhance medical treatment of injured workers and the development of return-to-work concepts to help injured workers re-enter employment.

With these fundamental changes in place, we introduced long-range strategic planning to the WCB in 1997, placing a new emphasis on outcomes and achievement.

In 1998, the results of strategic planning became apparent in the development of new organizational initiatives around higher performance and operational efficiency. At the same time, 1998 marked the WCB's attainment of a new level of financial stability.

All of this change led to the 1999 financial and service initiatives you will read about in this annual report.

### **Embracing change without sacrificing the fundamentals**

Like many organizations in the 1990's, the WCB has learned to embrace and manage change.

The winds of change are not easily absorbed, but what makes change manageable is a bedrock of stability to be found in an organization's fundamental principles.

From the beginning of our service, the Board Members have kept a clear focus on the five core principles around which the Province built the compensation system. The Meredith Principles – well-recognized by compensation systems across the country and re-confirmed by Saskatchewan's Committee of Review in 1996 – have served workers and employers well through decades of experience. Where compensation boards have departed from these principles, the result has been financial disarray, service disruption and inexcusable risk to workers, employers and the public.

The Meredith Principles are the clear, commonsense guides for a sustainable compensation system:

- **No-fault** – Workplace injuries are compensated regardless of fault.

The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury. Fault becomes irrelevant, and providing compensation becomes the only focus.

- **Collective liability** – The total cost of the compensation system is shared by all employers.

All employers contribute to a common fund. Financial liability becomes their collective responsibility.

- **Security of payment** – A fund is established to guarantee that compensation monies will be available.

Injured workers are assured of prompt compensation and future benefits. A schedule sets out how much the worker receives.

- **Exclusive jurisdiction** – All compensation claims are directed solely to the compensation board.

The Board is the decision-maker and final authority for all claims. Nor is the Board bound by legal precedent; it has the power and authority to judge each case on its individual merits.

- **Independent board** – The governing board is both autonomous and non-political.

The Board is financially independent of government or any special interest group. The administration of the system is focused on the needs of its employer and labour clients, providing service with efficiency and impartiality.

Workers, employers and governments in Judge William Meredith's time knew the high personal and business costs incurred by an economic system without compensation protection.

Before legislated protection, recourse for injuries was through the courts. Liability had to be proven and then calculated, case by case.

It was a matter of win-or-lose, worker-against-employer, and even worker-against-worker. The litigious system provided no guarantee of security, but did add the burdensome cost of litigation. When workers were able to launch a lawsuit, they too often won nothing in compensation for their injuries. When employers lost a serious case, the cost could undermine the stability of the company and thereby risk the jobs of everyone in the organization.

The first four principles – no fault, collective liability, security of payment and exclusive jurisdiction – erased this unpredictable and unfair system once and for all.

But what made the Meredith principles unique was that they also protected workers and employers from a bureaucratic juggernaut that could be turned against them. For this, the final principle – an independent board – was Meredith's crowning insight.

From the beginning, Saskatchewan enthusiastically applied these foundation principles and then built further upon them.

In this province, the WCB has governing Board Members who represent workers and employers. Thus, accountability for the compensation system flows not only back to the legislated Act, but also to the employers who pay for the system and the workers who depend upon it.

Saskatchewan later added a mandatory, independent, public review of the WCB every four years. These Committees of Review reinforce accountability and public openness. At the same time, change and modernization is encouraged as recommendations of the various Committees of Review lead to policy and operational renewal in the WCB.

The new Board Members in 1993 acted on many recommendations of the preceding Committee of Review, and since that time have also made further changes in response to the 1996-97 review.

An example of review-driven change is the annual mid-year accountability meetings that we have started with employers and workers. These open meetings provide insights into WCB operations and finances, and are a forum for worker and employer concerns.

At the same time, every such annual meeting and every four-year public review are occasions that reinforce the fundamental principles that underpin the system on which we all depend.

### **The danger of passing time**

All of us – every organization, employer, worker and government – have grown accustomed to looking hard into the future. In a time of change, we cannot do otherwise. That is why a strategic vision and a strategic planning process are key achievements of the WCB in the 1990s.

At the same time, the Board Members of the WCB are sharpening our focus on those aspects of the past that must not be lost.

We are re-doubling our efforts to make sure today's generation of business, labour and government leaders do not lose sight of the critical principles that make a compensation system irreplaceable, and that also make it work more effectively than any alternative.

We are also sharpening our focus on the very recent past – in this case, the ongoing record of achievement in the lives of injured workers.

Who is speaking for the thousands of workers who have received protection from the WCB this year? Who is addressing the thousands of cases of employers who are spared litigation because there is a compensation system? Who informs the person on the street of how this system operates with sound financial stability and does so without public taxation?

Without a clear knowledge of our historic principles – and our annual activities that contribute to our growing history – how will we as a society be able to understand the choices we face?

These are questions which the Board Members must address themselves.

Every day there are conflicting demands on the WCB from the labour and employer sectors. At the same time, an individual demand for more benefits, or less contribution, is a siren call the media find irresistible. Such well-publicized critical analysis is fair and good in a democracy.

It is also important that everyone in our democracy – far removed from the days when compensation was first established – are able to know the difference between how our working lives are now and how they were before workers' compensation existed.

In a democracy, not everyone is entitled to be fully pleased all the time, but everyone does have a right to make informed choices about the balance between the needs of competing interests, so that all are treated fairly.

The accord between labour and employers that launched the WCB does not automatically produce ongoing consensus on every issue. Quite the opposite, in fact.

The truth is, stakeholder consensus is fragile. Despite our sincere efforts, we have not won over (and probably never will) all of the compensation system's detractors, some of whom take unyielding positions on issues.

As flexible as Board Members must be, we cannot yield to those detractors who press for system changes that would drive a deep wedge into the historic labour-employer compromise that makes workers' compensation possible.

That is why we must focus on careful and prudent decisions, so that the system remains fair to all stakeholders, financially sound and valuable in the eyes of our partners.

All of this points to the vital role for understanding and compromise among the WCB, workers and employers. This is true in a democracy per se, and perhaps even more important in a compensation system that has been built on compromise and shared, basic vision and principles.

That is why the WCB has to accept a responsibility to inform and educate. We absolutely must publicly address the full story of workers' compensation: Livelihoods protected and working lives restored. Family security and business stability insured. An effective defense against the human and financial costs of workplace injury.

It is only with full knowledge and wide understanding – both current and historical – that our mutually-accountable system is well prepared for continued, sound choices in the face of future challenges and change.

### **Accountability begins at home**

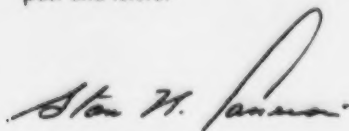
Accountability sits on our shoulders, too, at the WCB.

Like any historic organization, the WCB must constantly be reminded of its roots and guiding principles.

Too often we can fall prey to a bureaucratic harshness. Only with our eyes on the Meredith principles, and on our responsibility to workers and employers, will we recognize our own tendency to complacency.

For that reason, we look forward to the next Committee of Review. Every review is an opportunity for open accountability, based on a public assessment of current realities tested against the fundamentals of our guiding principles, set in the framework of the balancing of interests that a democracy engenders.

It is the Board Members' intention to sharpen our focus on greater exploration and public understanding of this vital balance between principle and practice, policy and program, past and future.



Stan N. Cameron

## CEO's Message



By 1999, the WCB achieved a position of financial stability that allowed us to devote new energy to our performance expectations in the long-term future.

Operationally, that means we have devoted a great deal of energy in 1999 to getting specific about those objectives and actions that will help us meet stakeholder expectations for the compensation system.

This focus on service is rooted directly in our Vision, which begins with the key words: "To lead in the provision of work injury insurance and services..." Our new stability provides us with the opportunity – and at the same time makes us clearly accountable – to take concrete steps toward that leadership vision.

The overall mechanism by which we operationalize the drive to leadership excellence is our ongoing strategic planning process. By 1999, this process had moved beyond the establishment of vision, mission, values and strategies. We are now deeply immersed in implementing the specific actions and changes that will make us a high-performance, results-oriented organization.

### **Looking Back**

In last year's Annual Report, I laid out an aggressive agenda to make our managers accountable for results-oriented change:

To meet the challenge of the new millennium managers will have to:

- focus on results by translating strategic goals into operational objectives;
- establish expected outcomes against which we measure and report;
- adopt a formal performance management system to cement management accountability into our daily work;
- create an organization-wide staff personal development system;
- review existing processes with the goal of maximizing effectiveness and efficiency; and
- ensure our technology infrastructure mirrors an increasingly sophisticated operating environment.

Much progress on these objectives was made in 1999.

1. A formal performance evaluation system was designed for both management and staff. This system holds individual employees accountable for meeting jointly determined job expectations and for participating in goal setting that helps them develop their own timelines and frameworks for personal and professional development.
2. Our extensive Y2K review was completed and fully tested well before the end of 1999, providing for a smooth transition into 2000 and full assurance of client and stakeholder services.
3. During 1999, our Strategic Planning Steering Committee achieved great progress on implementing the strategic plan – translating strategic goals into operational objectives.

By the last quarter of the year, we were able to issue a public report on WCB strategic planning that showed progress on more than 30 specific action items that are contributing to enhanced performance in every area of the organization.

Strategic planning is an ongoing process that will continue in 2000 as we systematically implement those action items that were not completed in 1999. In 2001 the process of continual improvement will advance as we move on to the remainder of the 180 actions that we originally drew up during our comprehensive strategic planning review in 1998.

4. In 1999 we began the creation of a Balanced Scorecard process within the WCB to formally, systematically and continually measure corporate performance, drive continual improvement and translate strategy into action.

By the end of the year, a complex system of measurements was being finalized in five key areas: people effectiveness, process effectiveness, premier customer service, financial integrity and innovative leadership – which we believe are essential to realizing our Vision. Corporate and departmental objectives must be structured to affect the performance indicators identified within each of these key areas.

This achievement will mean that in 2000 we can begin the process of monitoring WCB performance in a rigorous, annual and publicly accountable process.

5. In 1999 we also launched a formal program called Business Process Simplification (BPS) to pursue the objective of efficiency and effectiveness within the WCB's key processes.

The first task was to create a dedicated BPS team trained in the review and enhancement of organizational processes.

By year-end the team had prioritized a number of key processes and begun work on revamping our claims reporting and payment systems. Their goal is a more effective and efficient system that makes claims reporting easier and faster for employers and workers, contributing to faster and better service to all our customers.

### **The year ahead**

In front of us lies a time of exhilarating change. What makes it exciting from an operational perspective is that we are driving the change – not being driven by external forces – and that our change is focused on improved service to meet stakeholder needs.

Three dynamic processes for positive change will carry forward from 1999:

#### **Strategic Planning**

The agenda for 2000 will be completing the development and implementation of the first phase of 30-plus actions, in order to continue in 2001 with a second phase of strategic actions.

#### **Balanced Scorecard**

Our goal is to produce the first comprehensive scorecard on WCB performance during 2000, setting the stage for ongoing monitoring to compare progress over time in achieving our Vision, at the same time gaining insight into the organization and into the effectiveness and efficiency of its programs, processes and people.

#### **Business Process Simplification**

The first changes towards more efficient and effective core processes will be implemented in 2000, and then the BPS program will continue to focus on systems of highest-priority need.

While each of these three initiatives are extensive in their scope, they are also complementary and integrated. Strategic Planning determines our long-term objectives and



sets out plans to get there – plans that can be related to every employee at every level of the organization.

Business Process Simplification focuses extraordinary energy on the strategic goals related to high performance, operational efficiency and superior service. The Balanced Scorecard provides a system of disciplined accountability to measure our progress in building a high performance organization – ensuring that the changes we are making do, in fact, produce the results we seek.

In addition, the Year 2000 will see a focus on three other areas where we have identified a strategic priority and where we began to lay the groundwork for change in 1999:

### **Information Technology**

It is clear that high performance in today's world cannot occur without a high level of sophistication in computers.

It is now commonly accepted that the Internet will soon be dominated by business-to-business communications, but the reverse is equally true – our business relations will soon be determined by the way we tap the worldwide web.

The WCB's service, performance and efficiency cannot develop without an aggressive commitment to developing our information technology.

### **External Relations**

While technology and technical processes constitute a vital component of our dealings with stakeholders, there is much more to our external relationships.

The Year 2000 will see new initiatives in our desire to listen to our stakeholders – consistently gathering the feedback we need to identify external needs and expectations.

So, too, will we concentrate resources on our ability to provide information that stakeholders and the public need, and in the process make ourselves more open and accessible to those we serve.

### **Corporate Culture**

The final component that ensures operational success is to have the internal relationships that reflect every individual's commitment to a high level of day-to-day performance.

Our immediate future will see energy devoted to enhancing union-management relations, upgrading staff training and development, developing managerial skills and creating an environment that encourages and rewards personal accountability.

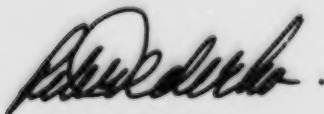
While our achievements so far have been significant, it is clear that our agenda for the future is even more ambitious.

What makes our intentions realistic is a combination of three important factors:

First, we are guided by a single, shared vision of service leadership.

Second, we have created an environment of financial stability that provides both the opportunity to focus on long-term goals and the resources to invest in a more effective, more accountable organization.

And third, we have implemented rational, effective planning and change processes that allow us to approach our development in a systematic, coordinated and forward-looking fashion.

A handwritten signature in dark ink, appearing to read "Peter D. Federko", followed by a period.

Peter D. Federko, C.A.

## Executive Management



Peter Federko,  
*Chief Executive Officer*



Bob Volk,  
*Vice-President,  
Client Services  
(Resigned 1999)*



Gail Kruger,  
*Vice-President,  
Budget & Finance*



P.C. Consul,  
*Vice-President, Human  
Resources, Technology  
and Corporate Support*

In 1996 the WCB instituted a strategic planning process focused on the long-term development of a high performance organization. Out of that participative process nearly 100 employees, working in eight teams, confirmed new Vision, Mission and Values statements for the WCB and developed 180 strategies for achieving the organization we envision.

# Strategic Planning

### Action Items

A set of 31 action items was identified for the first phase of implementation and an ongoing Strategic Planning Steering Committee was established to oversee their implementation. This group, which is made up of some of the original 100 members of the planning teams, is mandated to ensure that the action items move forward. The



group also ensures that strategic planning remains a focal point in the development of corporate initiatives.

In late 1999 we issued a public report showing progress on the first phase action items that are contributing to enhanced performance in every area of the organization. Among the action items completed are:

- monthly claimant surveys tracking client satisfaction and service delivery on key service points;
- improvements to Compensation Institute and employee staff conferences;
- new fact sheets on appeals for employers;
- ongoing development of a provincial injury prevention strategy in partnership with the Occupational Health and Safety Branch of Saskatchewan Labour;
- sharing injury data with Occupational Health and Safety, with immediate notification of serious or traumatic injury;
- a new employee orientation program;
- advanced training in constructive conflict resolution;



Our strategic planning process allows the WCB to plan effectively in a changing environment, adapt to the needs of those it serves and pursue continuous quality improvement. WCB employees are working collectively and collaboratively to define and achieve our planned future.

- Janice Siekawitch, Director,  
Planning, Research and  
Communications

- a corporate cultural audit leading to management and employee training and new performance evaluation tools;
- ongoing analysis of the provincial job market and a Hireline program developed to support job search activities for employers and injured workers;
- development of bridging programs to support injured workers making the transition to provincial and federal agencies and programs;
- invitations issued through advertising to the general public to attend annual Compensation Institute and Mid-Year Review meetings; and
- continual review of communications tools for relevance and effectiveness, with the introduction of new tools as communication needs are identified.

Action items in development include tracking the results of the WCB's case management model against the model's goals, developing and monitoring standards to ensure that service delivery meets the needs of claimants and employers; a Performance Management initiative to manage performance effectively and consistently across the organization; ongoing cultural transformation of the organization; and trend analysis of the changing work force and work place to predict and manage issues that could challenge the compensation system. We will systematically continue to implement the remaining first-phase action items in 2000 and continue into the second phase in 2001.



### Looking for Key Measures

With the WCB's strategic planning activities becoming more results-focused, the question then became: "How do we measure these results efficiently; measures that can be

communicated effectively to all staff and stakeholders?"

### Measuring Performance

After reviewing existing management performance methods the WCB went looking for an approach that translates key processes and business objectives into performance measures. Of the several alternatives looked at, the WCB decided to adopt the Balanced Scorecard approach because its simplicity enables all of our audiences — external stakeholders, Board Members and WCB employees — to see how daily operational activity affects performance trends. Its broad range of measures allows us to gain insight into and make judgments about the effectiveness and efficiency of our programs, processes and people.

### Balanced Perspective

This broad range of measures provides a balanced perspective on corporate performance that is lacking in the traditional models that focus entirely on the financial bottom line. These measures also enable the WCB to drive improvements and successfully translate strategy into action. Performance measurements, then, are used to manage the organization.

During 1999 a development team composed of representatives from all areas of the WCB was selected and trained in the Balanced Scorecard approach. By the end of the year the team had developed five key measurement perspectives and several specific measures within each perspective. The team was challenged to trim a large potential number of measures down to the two to four measures within each perspective that are the key indicators of the WCB's ability to reach the desired performance outcomes.

### People Effectiveness

In the area of people effectiveness we will:

- monitor our progress toward the development of a constructive culture by measuring the results of cultural audits;
- use customer feedback to monitor how our behaviours align with our values; and
- measure employee knowledge, skills and abilities to monitor our level of required competencies.

### Process Effectiveness

To measure the efficiency and effectiveness of our processes we will:

- monitor the worker's return to wellness by measuring worker employability;
- measure time to first payment;
- monitor assessing by measuring timeliness and correctness of employer assessments; and
- measure the time required to process appeals.

### Premier Customer Service

To monitor our progress toward our goal of providing outstanding customer service we will:

- use the measures received as feedback from injured workers, employers and our partners.

### Financial Integrity

In the area of financial integrity we will:

- measure changes in rates to monitor the stability of premium rates and benefits;
- monitor the WCB's fully-funded status by measuring the liability funded;
- use cost-effectiveness measures to monitor our operational efficiency.

# Balanced Scorecard



The Balanced Scorecard approach recognizes customer satisfaction and a constructive culture as vital elements in the success of the organization. It is helping us establish a broad framework that harmonizes our vision, mission and values into our new performance management system.

- Mitchell Scott, Director,  
Program Evaluation and  
Internal Audit

### **Innovative Leadership**

The WCB will:

- measure its recognition by peers within the industry to monitor its leadership; and
- monitor its competitiveness by measuring its rate/benefit ratios against other compensation providers.

### **2000 Targets**

During 2000 the Balanced Scorecard development team will finalize the details of collecting, processing and reporting the actual measurements for the 16 measures within the five key areas. The team will set targets that are reasonable, but also force the organization to stretch beyond its current performance in order to achieve them. Other activities planned for 2000 include the development of supporting scorecards for specific departments, processes and/or persons. These supporting scorecards will be 60 per cent complete by the end of 2000, and the remainder will be completed in 2001.

### **Scorecard Benefits**

One of the benefits of the development process is that many staff members have been educated about the need for measures and the WCB's performance priorities. During 2000, the corporate scorecard and other development activities will be posted electronically and disseminated widely on the WCB's website. Monitoring WCB performance will be a rigorous, regular and publicly accountable process.

Rate: Benefit Ratio

Rate: Industry Recognition





# Business Process Simplification

Several recommendations for action made by the implementation planning groups in 1998 focused on improving service delivery or introducing new services, and on building business processes and standards to deliver high performance. In 1999 the WCB launched the Business Process Simplification (BPS) initiative as the structure through which the action recommendations can be implemented. BPS reviews all key business processes, with an eye to delivering more effective service. As its name suggests, BPS will reduce complexity within our processes, resulting in their re-design or modification.

## Castles and Catapults

As part of the introduction to BPS, all WCB staff were given an overview of current thinking about the growth of organizations in the industrial era and their focus on tasks or functions, rather than processes and outcomes. Supporters of the BPS approach say there is a tendency within organizations for each department or group to see itself as a "castle" with a specific function. When one castle completes a task, the work is then catapulted to the next castle. Because only the work of individual castles is measured, the process that crosses functions becomes

invisible, and no one has a true understanding of the big picture.

BPS advocates say that in the post-industrial world, demanding customers and fierce competition mean people and organizations must shift from a focus on activity to concentrate on outcomes. When an organization focuses on measuring the results of the related activities that make up a process (the outcomes), the focus shifts to the customer, rather than isolated tasks within each castle's walls. The BPS initiative, then, is closely related to our increasing emphasis on performance measurement and individual accountability.

## Upside-Down Pyramid

To carry the initiative forward, a full-time internal team was created and trained in the review and re-design of organizational processes. The PRISM (Process Redesign Is Service Maximization) team draws on the experience and knowledge of our staff who deal with customers directly, turning the traditional organizational pyramid upside-





In large measure, BPS is about using the skills and knowledge we already have, but shifting the focus to outcomes and customers. That may sound simple, but changing the focus organization-wide is a complex challenge. It's exciting that the WCB is willing to do that; put itself under the microscope in order to reach its goals.

- Carol Nordal,  
Client Service Representative

down. The result is faster and easier access to service, while maintaining the quality and accuracy of our decision-making.

In 1999 team members concentrated their efforts in the Claims Administration area, particularly the processes involved in reporting time loss injuries and delivery of the initial payment to injured workers. The time spent working through the various "date of loss to first payment" processes are vital because:

- delays in treating injuries add time to the healing process;
- hiring and training a replacement for an injured worker is time-consuming and costly; and
- delays in reporting and treatment add pressure to the compensation system.

As part of its review the PRISM team is looking at the information-gathering process and considering whether that process can be accelerated without affecting accuracy of decision-making. The team is also consulting with employers about ways to make it easier

to report injuries. This includes a fax survey sent to employers with six or more time loss claims in the past year and face-to-face meetings with employers. The PRISM team is also applying a customer service focus to the simplification of forms that injured workers, employers and health care practitioners must complete and send to the WCB.

The BPS team has also begun reviewing processes in three core areas, and will begin revamping them later in 2000. These include return to wellness (case management), underwriting (Revenue and Employer Accounts) and appeals processes. In addition, the PRISM team will continue working to develop support and enthusiasm among all staff members for this form of continuous process improvement.



## Y2K

Among its preparations for the Year 2000 the WCB replaced its claims management system in 1996 and the Revenue and Employer Accounts system in 1998. In both

# Information Technology Solutions

cases the new, more powerful and flexible systems in place enable us to provide our stakeholders with more services, and deliver them with greater speed and efficiency. They also provide the basis for many e-business services that do not exist today.

During 1998 and 1999 personal computers and some back-end systems were replaced, upgraded and tested. The years of effort ended successfully as the calendar rolled over from 1999 to 2000 with no significant problems.

ITS also worked with other critical areas of the organization to develop contingency plans that would enable the WCB to deliver key services to its stakeholders for up to 30 days. These plans included possible failures of some of the WCB's important suppliers. While these plans were not needed on January 1, 2000, they will serve as the foundation for future crisis planning.

## Industry Scan

The WCB believes its investment in information technology goes hand-in-glove with its other initiatives designed to make it a leader in its class. As part of its drive to simplify business processes and to harness the capabilities of information technology, the WCB conducted a scan in 1999 of the entire North American insurance industry to identify current and future industry trends, industry best practices and to examine how other organizations are applying leading

edge technology to remain competitive.

The scan confirmed that insurance and financial services companies are increasingly entering each others' businesses, and that large companies are swallowing smaller ones, particularly in the United States. This trend is also evident in Canada, as insurance companies consolidate and deregulation removes old barriers between lines of business. These conditions make it imperative for the WCB to employ information technology to deliver the best possible service to its customers.

## Strategy For the Future

Our industry scan also revealed that while many organizations are considering implementing an e-business strategy similar to that developed by the WCB, no one is yet doing it. This indicates that our ITS strategy places us in the leadership position we aspire to, and is competitive with what is happening in the industry.

Fundamental to our strategy is use of the Internet to capture the opportunities and benefits of electronic communications, leveraging technology to enhance service delivery, accelerate information exchanges and achieve further operational efficiencies. It challenges the way the WCB and its stakeholders conduct business today and involves integrating all of our electronic



• • • • •

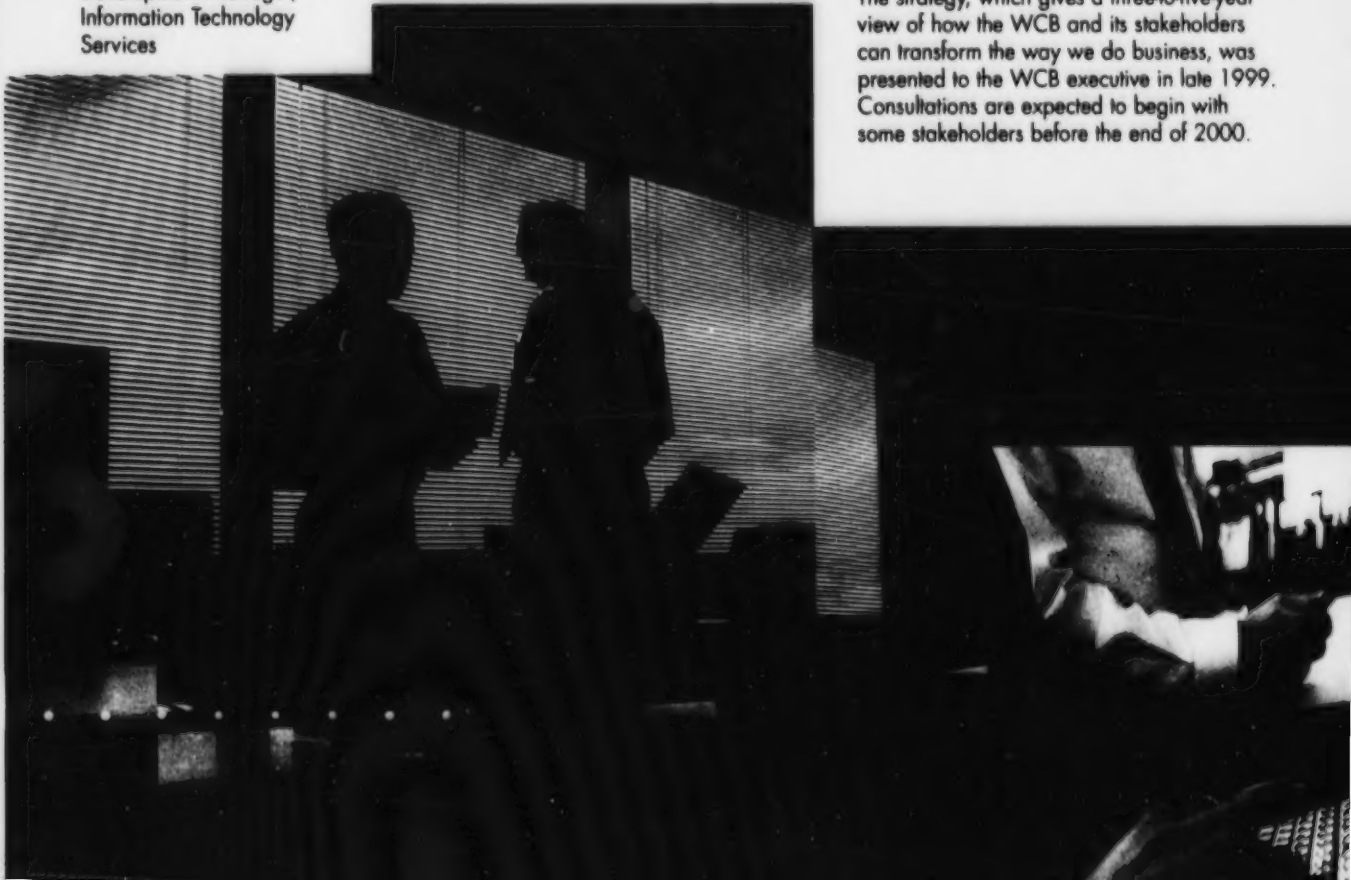
Besides a successful Y2K effort, ITS forged new frameworks for e-business applications that will improve service to stakeholders. I don't think anyone knows just what direction e-business will take, but I believe we're well prepared to take advantage of its benefits.

- Alf Flaman, Applications Development Manager, Information Technology Services

technologies into a single, interactive computer system that connects us with employers, injured workers, suppliers and service distributors. Some examples of how the WCB and its stakeholders could employ information technology include:

- data analysis to reduce injury frequency;
- data analysis to develop customized programs to address specific risks such as ergonomics or air quality;
- standard on-line access and reporting applications for small employers;
- customized reporting applications for larger employers;
- e-business solutions to accommodate custom coverage packages;
- customized premium rating plan options and risk financing alternatives;
- electronic funds transfer for revenue collection;
- electronic data interchange for first reporting of injuries;
- interactive claims administration applications that automatically calculate accurate benefit rates;
- automated claims reporting using voice recognition technology;
- data mining to illustrate the positive results of early injury reporting;
- electronic funds transfer for payments to claimants;
- electronic interfaces with case management vendors;
- automated routing of cases;
- electronic systems for information exchanges and account transactions with healthcare givers;
- database of disability duration guidelines for return-to-work planning;
- computer-based training for staff development; and
- automated human resource information systems.

The strategy, which gives a three-to-five-year view of how the WCB and its stakeholders can transform the way we do business, was presented to the WCB executive in late 1999. Consultations are expected to begin with some stakeholders before the end of 2000.





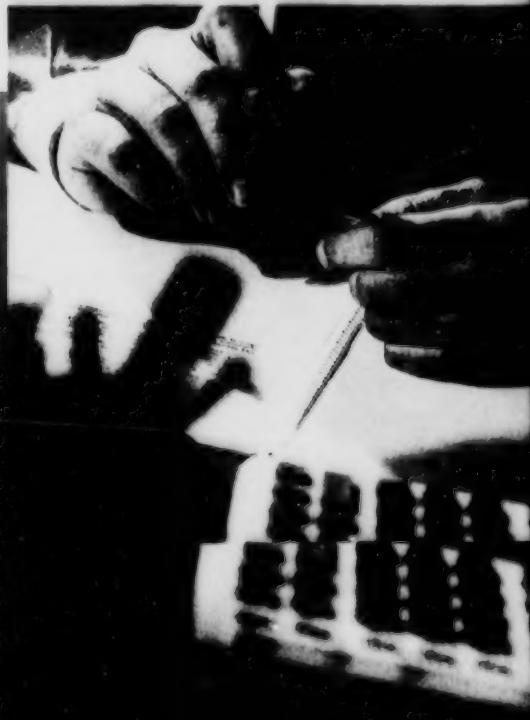
## Corporate Culture

Corporate culture is a key determining factor in how well an organization delivers on its mission, because it is the sum total of attitudes and behaviours in an organization. The WCB believes a high-performing organization must have a constructive culture where everyone is focused on providing the best service possible to our clients.

### **Four Characteristics**

Prior to 1993 the WCB's corporate culture featured many years of strict, top-down management and a bureaucratic approach to service. Our strategic planning process, which featured wide-ranging staff participation, identified four main areas that contribute to the constructive, customer-centred culture we desire. Such a culture must be:

- achievement oriented;
- self-actualizing;
- supportive; and
- where people want to belong.



Our Performance Development System gives us a clear message that we all have a role to play in staff development. It also ensures that we have a fair, consistent and productive evaluation process. I'm encouraged by the positive reaction the program has received; I believe the future benefits of it are limitless.

- Don Seidlitz,  
Appeals Officer

### High Performance

As a result, one aspect of the strategic planning process has focused on nurturing a constructive, high-performance culture where results are measured in an open and balanced way, and people feel valued. In the near term our focus involves implementing effective planning and change processes that enable us to develop our corporate culture in a systematic fashion by:

- ensuring our behaviours are aligned with our stated values;
- enhancing union-management relations;
- becoming a learning organization;
- upgrading staff training and developing our competencies and capabilities;
- encouraging leadership and vision skills; and

- supporting and recognizing personal responsibility and accountability.

In 1999 the WCB experienced encouraging growth in its constructive culture, but more remains to be done to reach our desired state. The WCB is committed to the goal of a constructive culture because we believe it will enable us to provide the best results to our clients in a sustainable way.





The WCB's public image was one area identified by the strategic planning process as in need of serious and immediate attention. In 1999 we developed a communications strategy that focuses on two key areas; raising public awareness of the

The second strategy involves what we call platform campaigns: events or opportunities that enable us to conduct positive public communication on specific topics to target audiences. A number of these platforms were used in 1999 to raise the WCB's profile and increase public understanding, including:

- broad stakeholder consultation;
- the annual mid-year review;
- the annual Compensation Institute;
- the spousal benefits program;
- rate-setting and rebate announcements;
- surplus rebate program announcements; and
- Y2K readiness plans.

#### Compensation Institute

While the entire successful platform campaign will be expanded to cover more opportunities in 2000, the Compensation Institute deserves additional mention. Because of the breadth and depth of its topics, the Institute is an effective vehicle to educate and inform stakeholders and other interested people about compensation issues. The Institute also provides the WCB with feedback on our progress and processes.

The 1999 Institute held in Saskatoon featured keynote speaker Terry Evanshen. The former CFL star, who survived a severe car accident after he retired from football, related how he has to re-create his memory one day at a time. Other guest experts spoke about responsibility for health and safety in the workplace and the risks people sometimes take away from the workplace. Presenters from various units of the WCB provided information on health care services, premium rate-setting and injury prevention.

The Institute is also a key opportunity for stakeholders and WCB staff to meet informally with one another to share information on compensation issues.

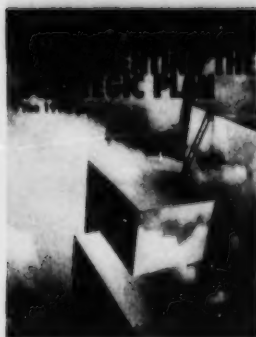
#### Publications

The WCB has several publications designed to educate and inform stakeholders about the WCB and the compensation system. Much of the information contained in these

WCB's mandate, programs and services, and the social and economic role we play in creating stability and delivering cost-effective insurance protection for both employers and workers.

#### Strategies

There are two key strategies to the communications plan. The first involves recurring, brief, high-profile image campaigns that profile the WCB's role and purpose in bringing an important level of reliability and stability to the workplace. The first of these image campaigns will be launched in 2000.



Our presentations to labour and employer organizations, health care providers and other groups help create a better understanding of how the compensation system works. Those presentations allow people in communities all over Saskatchewan to put a face to the organization.

- Brian Turlock,  
Client Service Representative

publications — including annual reports — is also posted to our web site at [www.wcbsask.com](http://www.wcbsask.com)

### **Compensation Reporter**

Compensation Reporter is a quarterly publication distributed to all employers registered with the WCB, labour organizations, safety associations and other stakeholder groups. It contains news and information on recent compensation-related happenings affecting employers, workers and other stakeholders including:

- health care services;
- safety and injury prevention;
- highlights of the Mid-Year Review, Compensation Institute and other events;
- detailed explanations of new policies;
- partnership initiatives with other stakeholders; and

- feature articles on procedures and processes such as rate-setting or appeals.

### **Perspectives**

*Perspectives* is an occasional publication featuring philosophical discussions on compensation-related issues by noted authorities in the field. It is distributed to a select mailing of stakeholders, and is also available at trade shows, Compensation Institute, by request or from the WCB web site.

Previous issues covered in *Perspectives* include legal aspects of the compensation system and viewpoints on the topic of return-to-work.

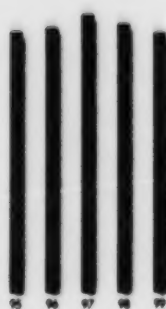
### **Strategic Planning**

In 1999 the WCB issued a third publication reporting on our strategic planning activities. *Implementing the Strategic Plan* complements the two earlier publications and sets out our progress in implementing strategic actions and integrating them with other corporate activity. It also contains a chart showing the status of all actions in the first implementation phase.



# Statistical Summary

## CLAIMS REPORTED INFORMATION



Claims Reported<sup>1</sup>

1995	36,629
1996	37,169
1997	38,954
1998	37,657
1999	36,346



Claims Accepted

1995	30,996
1996	31,732
1997	33,545
1998	32,348
1999	31,476



No Time Loss Claims<sup>2</sup>

1995	17,654
1996	18,690
1997	20,079
1998	19,240
1999	18,337



Time Loss Claims<sup>2</sup>

1995	13,320
1996	13,018
1997	13,430
1998	13,081
1999	13,108



Unaccepted Claims (%)

1995	5.8
1996	7.6
1997	6.9
1998	7.1
1999	7.4

Unaccepted claims are reported as a percentage of total Claims Reported for the year. Claims are unaccepted when the industry is not covered by The Workers' Compensation Act, a claim is not work related, or no further information is received following the initial report of injury.



Fatalities<sup>2</sup>

1995	22
1996	24
1997	34
1998	27
1999	31



Average Days on Compensation

1995	22.7
1996	21.4
1997	22.2
1998	23.9
1999	24.9

<sup>1</sup>Reported Claims: New claims reported to the WCB in the current year, both accepted and unaccepted.

Additional claims reported information can be found in the WCB's 1999 Statistical Supplement.

<sup>2</sup>Based on new claims reported to, and accepted by, the WCB in the current year. Excludes claims not covered under the Act, not work related, still pending, and /or duplicated within the system.





# TOP FIVE INDUSTRY CODES WITH INJURIES, 1999 ONLY

## Industry codes

G2 Health care: special care homes, rest homes, senior citizens' homes, sanitariums, boarding houses, regional care, group care, houses for handicapped, hospitals, health care administration, district home care, ambulance service	3,904
B1 Building construction and related trades	3,363
S2 Hotels, motels, restaurants and catering, laundries, protective services and taxi cabs	2,628
C3 Department stores and food outlets	2,376
C6 Automotive and implement sales and services	1,955

# TOP FIVE OCCUPATIONS WITH INJURIES, 1999 ONLY

Occupation	Number of Claims Reported
Truck Drivers	1,255
Welders and Flame Cutters	1,187
Nursing Aides and Orderlies	1,008
Nurses	849
Industrial, Farm/Construction/Machinery Mechanics and Repair	752

# TOP FIVE AREAS OF INJURY, 1999 ONLY

Body Part	Number of Claims Reported
Back	5,730
Fingers	5,355
Eyes	2,615
Hands	1,855
Knees	1,500

# LONG TERM EARNINGS REPLACEMENT AWARDS

New Awards 1999	166
Number receiving at December 1999	1,927



# DEPENDENT SPOUSES

New Awards in 1999	22
New Act Wage Loss Recipients (including '99)	316
Old Act Life-Time Pension Recipients	297

# Number of Permanent Functional Impairment Awards

1995	389
1996	386
1997	416
1998	320
1999	390



# Assessment Calling

1995	45,000
1996	48,000
1997	48,000
1998	48,000
1999	48,000



# Number of Employer Accounts Processed<sup>1</sup>

1995	30,254
1996	30,745
1997	31,681
1998	32,046
1999	32,606



# Assessable payroll (billions)

1995	7.37
1996	7.74
1997	8.14
1998	8.49
1999	8.73



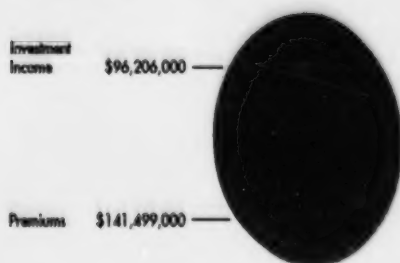
# Average Premium Rate

1995	1.86
1996	2.02
1997	2.09
1998	1.80
1999	1.77

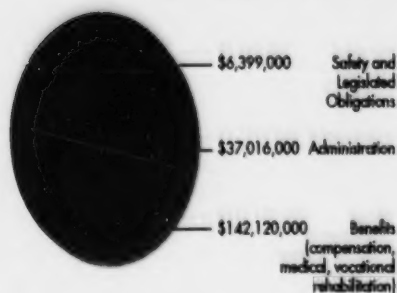
<sup>1</sup>Excludes employers whose assessment accounts were finalized during 1999.

Actuarial rate making was introduced with 1998 premiums. Average premium rates for 1998 and forward are based on anticipated reported payroll at the beginning of the fiscal year. Adjustments for actual payroll may occur during the year.

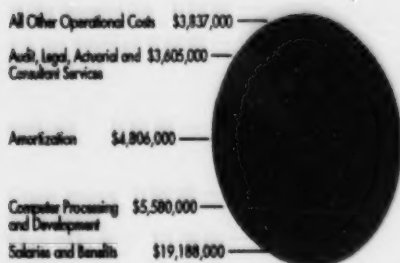
### SOURCES OF REVENUE



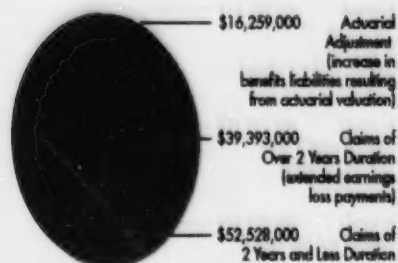
### ALLOCATION OF REVENUE



### COMPONENTS OF ADMINISTRATIVE COSTS



### COMPONENTS OF COMPENSATION EXPENSES



# Unamortized Industry Fund Balances

Industry Code	Industry Code Descriptions	Balance Dec. 31, 1996	1997 Contribution	1998 Contribution	Estimated 1999 Contribution*	Estimated Bal Remaining
A1	Light Agricultural Operations	(190,452)	13,856	58,190	117,406 **	0
A2	Farming and Ranching	(1,426,884)	196,905	309,077	312,449	(608,453)
A3	Grain Elevators and Inland Terminals	2,608,580	0	(576,857)	(635,831)	1,395,892
B1	Building Construction and Related Trades	4,707,128	0	(1,185,492)	(1,166,008)	2,355,628
C1	Dry Goods, Drugs and Light Commodity Marketing	(218,980)	23,744	195,236 **	0	0
C3	Department Stores, Food Outlets and Like Commodities	(3,580,703)	646,859	822,958	2,110,885 **	0
C4	Co-operative Associations	1,299,429	0	(277,818)	(289,100)	732,511
C5	Lumber Yards, Builders Supplies	(346,015)	87,498	81,404	82,287	(94,826)
C6	Automotive and Implement Sales and Service	(3,654,058)	662,507	2,991,551 **	0	0
D1	Open Seam Mining	634,983	0	(131,974)	(120,971)	382,038
D2	Conventional Potash Mining and Refining	2,327,925	0	(516,086)	(513,543)	1,298,296
D3	Operation of Oilwells	848,036	0	(215,514)	(198,440)	434,082
D4	Oilwell Servicing	4,883,577	0	(1,015,547)	(875,675)	2,992,355
D5	Oil, Gas Drilling, Service Rigs and Water Well Drilling	10,585,022	0	(1,933,634)	(1,713,944)	6,937,443
D6	Hardrock Mining, Shaft Sinking and Cross Cutting	776,741	0	(186,944)	(182,280)	407,518
F1	Logging Operations	(2,276,280)	1,480,310 **	795,971 **	0	0
F2	Sawing, Planing, Stud and Chip Mills, Peeling and Preserving, Creosoting, Plywood	106,894	0	(23,704)	(83,191) ***	0
F3	Pulp and Paper Mills	2,470,861	0	(533,724)	(547,263)	1,389,874
G1	School Boards, Universities and Regional Colleges	(380,033)	87,064	292,969 **	0	0
G2	Hospitals and Nursing Homes	(14,832,182)	2,885,452	3,634,569	4,378,138	(3,934,024)
G3	Cities, Towns, Villages and Rural Municipalities	(976,391)	34,849	240,063	245,485	(455,994)
G5	Government of Saskatchewan and Supporting Departments and Agencies	1,387,403	0	(292,140)	(293,305)	801,958
M1	Printing, Publishing and Manufacturing Stationery and Small Wares	(491,097)	103,020	111,307	114,600	(162,170)
M3	Refineries, Gas and Oil Pipelines, and Solution Potash Mining	1,461,203	0	(303,019)	(334,842)	823,342
M4	Bakeries, Dairy Products, Soft Drinks, Food Preparation, Distilleries, Brewers	(1,261,753)	190,472	240,417	246,183	(584,681)
M6	Flour Mills, Seed Plants, Aluminum and Glass Shops, Sodium Sulphate Production, and Manufacturing Cement	586,039	0	(130,905)	(137,315)	317,819
M7	Processing Meat, Poultry and Fish	(827,751)	827,751 **	0	0	0
M8	Metal Foundries and Mills	1,591,605	0	(359,241)	(358,456)	873,908
M91	Manufacturing Agricultural Equipment	1,624,260	0	(120,888)	(303,752)	1,199,620
M9	Metal Manufacturing, Machine Shops, Marble Works, Concrete Block and Ready Mix	795,952	0	(192,586)	(188,999)	414,367
R1	Road Construction and Earthwork, Urban Sewer and Water, Tunnelling	609,659	0	(206,031)	(183,661)	219,967
S1	Offices, Professional, Financial, etc. as a Business	(62,139)	62,139	0	0	0
S2	Hotels, Motels, Restaurants and Catering, Laundries, Protective Service	(4,807,288)	711,028	1,004,035	1,034,455	(2,057,769)
S3	Caretaking, Commercial Maintenance, Service Clubs, Park Boards and Authorities	(875,204)	130,499	229,241	515,464 **	0
S4	Architects, Surveying, Engineering, Material Inspection and Marketing Representatives	176,714	0	(41,909)	(41,869)	92,935
T4	Trucking, Messenger Service, Urban Mail Service & Warehousing	3,805,778	0	(846,554)	(862,928)	2,096,296
T5	Operation of Railways	1,306,800	0	(257,304)	(261,022)	788,474
T6	Commercial Flying, Flying Training, Aircraft Maintenance, All Other Flying — Including Incidental Maintenance	1,114,942	0	(295,604)	(361,490)	457,848
U1	Telecommunications	698,024	0	(158,903)	(169,706)	369,415
U3	Generation and Transmission of Electric Systems	(457,517)	67,685	100,884	101,484	(187,463)

\*Contribution based on 1999 payroll estimates at December 31, 1999.

\*\*Debt amortization has been accelerated with improved cost experience.

\*\*\* Surplus amortization has been discontinued with worsened cost experience.

G2 1999 Debt contribution includes \$1,788,035 Injury Fund Rebate.

Debt amortization began in 1997. Surplus amortization began in 1998.

# Injury Rates and Claim Durations (1996 - 1999) for Rateable Subclasses

Sub Class	Description	% of Workers Injured with Time Loss				Average Days			
		1999	1998	1997	1996	1999	1998	1997	1996
All Class		4.17	4.13	4.35	4.30	24.9	23.9	22.2	21.4
A1	Light Agricultural Operations	6.66	6.57	6.18	5.90	31.8	22.3	37.9	15.5
A2	Farming & Ranching	4.14	4.23	4.54	4.84	48.5	54.1	34.7	44.2
A3	Grain Elevators & Inland Terminals	2.54	2.12	3.43	2.96	28.3	13.4	15.7	15.5
B1	Building Construction	10.66	10.77	11.31	12.60	30.1	24.8	26.1	25.0
C1	Dry Goods, Drugs & Light Commodity Marketing	1.36	1.47	1.22	1.60	27.4	32.5	15.8	18.5
C3	Department Stores, Food Outlets, like Commodities	4.05	3.84	4.04	4.10	22.9	21.4	21.0	19.8
C4	Drug Stores, Dry Goods, Stationary	3.18	2.95	3.06	3.19	19.4	16.9	16.2	20.2
C5	Lumber Yard, Builders Supplies	5.97	6.26	6.17	6.50	21.6	20.5	16.1	19.5
C6	Automobile & Implement Sales & Service	5.24	4.96	5.14	5.36	19.8	20.4	17.5	18.2
D1	Open Seam Mining	2.39	2.03	2.19	2.05	29.9	17.5	24.1	23.3
D2	Conventional Potash Mining & Refining	0.71	0.80	0.48	0.53	26.5	38.2	10.7	51.6
D3	Operation of Oilwells	1.11	1.17	1.84	1.86	33.4	23.9	24.3	21.5
D4	Oilwell Servicing	4.75	4.88	6.77	6.35	35.6	33.8	22.1	27.6
D5	Oil, Gas Drilling, Service Rigs & Waterwell Drilling	5.92	5.96	7.95	8.69	45.6	46.0	37.7	36.2
D6	Hard Rock Mining, Shaft Sinking and Cross Cutting	2.59	3.20	4.54	7.24	51.9	49.2	57.2	35.9
F1	Logging Operations	9.44	8.17	7.26	8.38	35.2	51.9	32.8	40.1
F2	Sawing, Planing, Stud & Chip Mills, Peeling & Preserving, Plywood	7.89	12.00	14.50	12.24	32.4	23.5	21.0	15.2
F3	Pulp and Paper Mills	2.04	1.81	1.14	2.23	18.6	14.9	4.5	15.8
G1	School Divisions, Universities and Regional Colleges	1.68	1.66	1.82	1.88	28.3	23.4	23.1	20.4
G2	Hospitals & Nursing Homes	6.43	6.47	6.52	6.88	29.2	30.6	28.1	26.9
G3	Cities, Towns, Villages & Rural Municipalities	5.07	5.50	5.69	5.88	18.7	16.2	18.8	14.2
G5	Government of Saskatchewan	2.98	2.61	2.51	2.89	23.6	23.9	20.7	19.7
M1	Printing, Publishing & Manufacturing Stationary & Small Wares	1.89	2.00	1.21	1.76	21.2	16.9	27.1	14.9
M3	Refineries, Gas & Oil Pipelines & Solution Potash Mining	1.2	1.23	2.39	1.65	16.3	2.7	14.5	12.4
M4	Bakeries, Dairy Products, Soft Drinks, Brewers	6.79	6.96	8.80	9.94	20.0	19.2	18.1	15.2
M6	Flour Mills, Aluminum & Glass Shops, Manufacturing Cement, Bottle Exch.	7.68	6.83	7.07	7.54	16.0	17.4	18.3	16.8
M7	Processing Meat, Poultry & Fish	24.51	24.47	23.72	21.30	21.3	19.3	13.4	15.5
M8	Metal Foundries & Mills	3.45	4.26	5.18	6.32	19.1	26.0	23.4	18.9
M9	Metal Manufacturing, Machine Shops, Concrete Blocks & Ready Mix	13.59	9.43	18.59	17.53	18.1	16.2	13.2	12.1
M91	Manufacturing Agricultural Equipment	9.23	9.71	15.13	13.12	14.8	14.0	13.7	10.6
R1	Road Construction & Earthwork, Urban Sewer & Water, Tunneling	5.3	4.75	6.76	7.31	32.9	37.8	35.1	37.9
S1	Offices, Professional, Financial etc as a Business	0.35	0.29	0.40	0.38	23.2	31.6	24.3	33.0
S2	Hotels, Motels, Restaurants & Catering, Laundries, Protective Services	3.66	3.68	3.88	4.16	24.6	20.9	22.5	20.6
S3	Caretaking, Commercial Maintenance, Service Clubs, Park Boards	3.03	2.72	2.60	2.97	26.9	30.6	25.7	30.0
S4	Architects, Surveying, Engineering & Marketing Representatives	0.5	0.82	0.64	0.58	26.5	19.5	24.9	14.4
T4	Trucking, Messenger Service, Urban Mail Service, & Warehousing	9.14	8.43	9.91	10.35	31.3	32.5	33.6	31.6
T5	Operating Railways	1.85	2.19	2.70	2.91	39.3	31.9	34.8	33.5
T6	Commercial Flying, Flying Training	4.39	2.85	2.55	3.03	16.6	23.8	29.7	22.0
U1	Telecommunications	1.26	1.02	0.84	1.25	21.0	14.9	11.1	14.1
U3	Generation & Transmission of Electrical Systems	1.45	2.21	2.33	2.51	11.2	24.0	14.0	20.8

# Financial Report

## Financial Information

### WORKERS' COMPENSATION BOARD (SASKATCHEWAN)

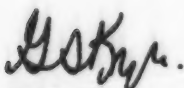
#### RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements are the responsibility of management and have been prepared in conformity with accounting principles generally accepted in Canada. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the Board. Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The actuary makes use of management information provided by the Board and relies on the work of the external auditors in verifying the data used in the valuation. The scope of their valuation and opinion are given in the Actuarial Certificate.

The financial statements have been examined and approved by the Board of Directors. The Board of Directors meets periodically with financial officers of the corporation and the external auditors.

Deloitte & Touche has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the Board's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditor's Report outlines the scope of their examination and their opinion.



Gail Kruger  
Vice-President, Budget & Finance

May 5, 2000



Osvaldo Montanini, CMA  
Director, Financial Services

**CONSULTING ACTUARY'S REPORT ON THE VALUATION OF THE ACTUARIAL LIABILITIES  
OF THE WORKERS' COMPENSATION BOARD AS AT DECEMBER 31, 1999**

We have made an actuarial valuation of the liabilities for future benefits payable under the Workers' Compensation Act—Saskatchewan as at December 31, 1999 in respect of accidents which have occurred up to that date.

The Board's auditors have made an independent review of the financial data used in the actuarial valuation. We have reviewed the data used for the valuation and have made tests of reasonableness and of consistency with the data used in prior years. In our opinion the data is sufficient and reliable for the purposes of this valuation.

The actuarial valuation of these liabilities in the amount of \$592,082,000 represents the actuarial present value at December 31, 1999 of all future short-term disability benefits, long-term disability benefits, survivor benefits, medical aid payments and rehabilitation payments which are expected to be made in future years and which relate to claims occurring on or before December 31, 1999. As in previous valuations, the actuarial liabilities do not include any provision for future expenses of administration of existing claims, for benefits or payments that are on a self-insured basis, nor for contingent liabilities in respect of benefits previously discontinued on re-marriage, which are referred to in the Board's annual report.

The valuation was based on the Workers' Compensation Act in effect as of December 31, 1999 as administered by the Board. The actuarial assumptions and methods used are based on the Board's best estimates, and take into account the current practices and administration procedures of the Board and recent expenditure patterns.

A material change was made in the assumed net "real" rate of investment return, which was reduced by  $1\frac{1}{2}\%$  per annum to  $4\frac{1}{4}\%$  in the year following this valuation, and  $3\frac{1}{2}\%$  thereafter. This increased the actuarial liabilities by \$11.9 million. Also, an allowance of 2% of the liabilities for future payments of compensation has been made, in respect of possible future changes in the calculations of probable income tax and C.P.P. and E.I. contributions under Section 68(3). This increased the actuarial liabilities by \$7.7 million.

A summary of the net discount rates used in the actuarial valuation are referred to in the notes to the financial statements.

In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles. We have prepared and have provided to the Board our actuarial report as at December 31, 1999. Our actuarial report has been prepared, and our opinions have been given in accordance with accepted actuarial practice.

Watson Wyatt & Company

*L. N. Taylor*

Leslie N. Taylor, F.I.A., F.C.I.A.  
Fellow, Canadian Institute of Actuaries

*Nancy A. Yake*

Nancy A. Yake, F.S.A., F.C.I.A.  
Fellow, Canadian Institute of Actuaries

May 5, 2000



**AUDITOR'S REPORT**

To the Members of the Workers' Compensation Board (Saskatchewan)

We have audited the statement of financial position of the Workers' Compensation Board (Saskatchewan) as at December 31, 1999 and the statements of operations and injury fund and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Workers' Compensation Board as at December 31, 1999 and the results of its operations and its cash flow for the year then ended in accordance with generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants

Regina, Canada

May 5, 2000



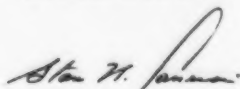
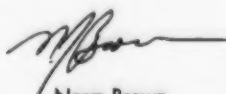
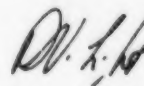
**Statement of Financial Position**

As at December 31, 1999

	1999	1998 (restated)
	(thousands of dollars)	
<b>Assets</b>		
Cash and short-term investments	\$ 32,960	\$ 65,003
Accounts receivable	13,678	10,706
Accrued interest	4,616	5,731
Investments (note 3)	785,875	716,510
Capital assets (note 4)	29,123	30,999
	<u>\$ 866,252</u>	<u>\$ 828,949</u>
<b>Liabilities</b>		
Accounts payable (note 5)	\$ 22,615	\$ 16,141
Declared rebates (note 8)	49,380	38,831
Benefits liabilities (note 9)	592,082	575,823
Annuity fund payable	<u>69,879</u>	<u>59,028</u>
	733,956	689,823
<b>Reserves and Injury Fund (note 6)</b>	<u>132,296</u>	<u>139,126</u>
	<u>\$ 866,252</u>	<u>\$ 828,949</u>

See accompanying notes to financial statements.

On behalf of the Board:


Stan Cameron  
Chairman

Norm Brown  
Board Member

Darlene Light  
Board Member

**Statement of Operations and Injury Fund**

Year ended December 31, 1999

	<b>1999</b>	<b>1998</b> <i>(restated)</i>
	<i>(thousands of dollars)</i>	
<b>Revenues:</b>		
Premiums (note 7)	\$ 141,499	\$ 141,657
Investment income	<u>96,206</u>	<u>78,816</u>
	<u>237,705</u>	<u>220,473</u>
<b>Expenses:</b>		
Compensation (note 9)	108,180	103,371
Administration expenses (Schedule 1)	37,016	32,565
Medical Aid	31,378	29,036
Occupational Health & Safety	5,224	4,630
Vocational Rehabilitation	2,562	2,512
Worker's Advocate	561	492
Prevention Services	<u>614</u>	<u>242</u>
	<u>185,535</u>	<u>172,848</u>
Operating surplus before declared employer rebate	52,170	47,625
Declared employer rebate (note 8)	<u>36,000</u>	<u>23,000</u>
Operating surplus after declared employer rebate	16,170	24,625
Provision for legislated obligation (note 10)	<u>(23,000)</u>	<u>-</u>
Net surplus (deficit)	(6,830)	24,625
Injury Fund, beginning of year (notes 2 & 6)	19,339	24,501
Appropriation (to) from contingency reserve (note 10)	23,000	(23,000)
Appropriation to other reserves (note 6)	<u>(7,112)</u>	<u>(6,787)</u>
Injury Fund, end of year (note 6)	<u>\$ 28,397</u>	<u>\$ 19,339</u>

See accompanying notes to financial statements.

**Statement of Cash Flow**

Year ended December 31, 1999

	1999	1998
	(thousands of dollars)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Cash received from:</b>		
Premiums	\$ 133,870	\$ 157,039
Dividends and interest	<u>41,373</u>	<u>38,310</u>
	<u>175,243</u>	<u>195,349</u>
<b>Cash paid to:</b>		
Claimants, or third parties on their behalf	123,230	116,008
Employees and suppliers, for administrative and other goods and services	34,695	29,715
Employers for the declared employer rebate	16,874	0
Surviving spouses (note 10)	18,400	0
Department of Labour	<u>7,596</u>	<u>6,495</u>
	<u>200,795</u>	<u>152,218</u>
Net cash provided from (used for) operating activities	<u>(25,552)</u>	<u>43,131</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Cash received from:</b>		
Sale and maturity of investments	<u>1,346,979</u>	<u>1,007,318</u>
<b>Cash paid for:</b>		
Purchase of investments	1,350,413	1,043,463
Purchase of capital assets	<u>3,057</u>	<u>4,459</u>
	<u>1,353,470</u>	<u>1,047,922</u>
Net cash used for investing activities	<u>(6,491)</u>	<u>(40,604)</u>
Increase (decrease) in cash during the year	(32,043)	2,527
Cash and short-term investments, beginning of year	<u>65,003</u>	<u>62,476</u>
Cash and short-term investments, end of year	<u>\$ 32,960</u>	<u>\$ 65,003</u>
<b>Comprised of:</b>		
Cash less outstanding cheques	\$ (542)	\$ (1,048)
Short-term investments	<u>33,502</u>	<u>66,051</u>
	<u>\$ 32,960</u>	<u>\$ 65,003</u>

See accompanying notes to financial statements.

## Notes to Financial Statements

December 31, 1999

### 1 Status of the Board:

The Workers' Compensation Board operates under the authority of The Workers' Compensation Act, 1979, Statutes of Saskatchewan (the Act).

In accordance with the provisions of the Act, the Board's general powers and purposes are to provide workers' compensation insurance to Saskatchewan workers and employers.

The Board maintains an injury fund representing all funds collected and expenses incurred to administer the Act.

### 2 Significant Accounting Policies:

#### *Investments*

- (i) Short-term investments are recorded at the lower of cost and market value.
- (ii) Bonds and debentures are recorded at cost with any discount or premium amortized on a straight-line basis over the period remaining to the maturity date of the investment.
- (iii) Equities, pooled equity funds and real estate are valued using a five-year moving average of market values, thereby allowing for a gradual movement toward current market values.
- (iv) Mortgages are recorded at cost and the principal is reduced by principal repayments throughout the year.
- (v) Gains or losses on the sale of investments are amortized to revenue. The amortization period for equities is five years and for bonds and debentures is over the remaining period to maturity of the security sold.
- (vi) A decline in market value which is considered other than temporary is recognized immediately.

#### *Capital Assets*

Amortization is recorded on a straight-line basis, at the following rates:

Building	2.50%
Office furnishings	10%
Computer equipment	20%
Rehabilitation equipment	5% - 20%
Rehabilitation facility	2.50%
Software development	33.33%

#### *Premium Revenue*

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is payable by instalments within the current year. At year-end, assessment income is adjusted based on a review of the employers' actual payrolls.

*Benefits Liabilities*

The benefits liability is determined annually through an actuarial valuation and represents a provision for future payments relating to incurred claims which occurred on or before December 31. The provision has been obtained by estimating future benefit payments in accordance with the legislation in force and adjudication practices in effect at December 31, 1999.

The benefits liability does not include any provision for payment of claims relating to self-insurers, as they are a liability of the self-insurers.

Provision has not been made for future administration costs of incurred claims. (See Note 6 - Future Benefits Administration reserve.) Similarly provision has not been made for the costs of claims for occupational diseases, or for the cost of existing claims for diseases and injuries that are not currently considered to be work-related, but may in the future be considered to be work-related.

*Annuity Fund Payable*

The annuity fund is established pursuant to sections 74 and 83(5) of the Act, to provide injured workers and dependent spouses for the loss of retirement income due to a work-place injury. The fund represents 10% of eligible payments already made plus interest calculated at the Board's actual interest rate. This liability is not discounted and a separate fund of investments is not maintained.

All future costs, excluding interest, are provided for as part of benefits liabilities.

*Foreign Currency Translation*

Monetary items denominated in foreign currency are translated at the exchange rate in effect at the year end. Equity investments, revenues and expenses are translated at the exchange rate in effect at the transaction date.

*Use of Estimates and Assumptions*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and reserves, revenues and expenses. The more subjective of such estimates and assumptions relate to premium revenues receivable, benefits liabilities and the Board's legislated obligations to surviving spouses. By their nature, these estimates and assumptions are subject to measurement uncertainty. Management believes its estimates and assumptions are appropriate; however, actual results could differ from the amounts estimated.

*Change in Accounting Policy*

During the year, the Board changed its accounting policy for recording the debt/surplus amortization program outlined in Note 8. Under this revised accounting policy, the Board now records the net rebate accruing to qualifying employers at the time the Board ratifies the continuation of the program in conjunction with formally announcing the annual employer levy.

This change in accounting policy has been applied on a retroactive basis. The balance of the Injury Fund as at December 31, 1998, previously reported at \$24,097,000, has been reduced by \$4,758,000 with a corresponding decrease in the 1998 premium revenues.

**3 Investments:**

(a) The carrying amount and fair value of investments are as follows:

	1999		1998	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	(thousands of dollars)			
Bonds and fixed term securities	\$ 444,077	\$ 429,434	\$ 419,948	\$ 428,207
Equities and pooled equity funds	300,196	485,438	290,043	415,894
Mortgages and real estate	20,489	22,159	21,112	22,238
Unamortized gains and losses	21,113	-	(14,593)	-
	<u>\$ 785,875</u>	<u>\$ 937,031</u>	<u>\$ 716,510</u>	<u>\$ 866,339</u>

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Cash and short-term securities:

All short-term investments are in Canadian securities. These investments have an aggregate principal amount of \$33,502,000 (1998 - \$66,051,000) and are comprised of notes and commercial paper with effective interest rates of 4.37% to 5.49% (1998 - 4.60% to 5.90%).

(ii(a)) Bonds and other fixed-term securities - interest risk:

		1999		1998	
	INTEREST RECEIVABLE BASIS	EFFECTIVE RATES (% RANGE)	COUPON RATES (% RANGE)	EFFECTIVE RATES (% RANGE)	COUPON RATES (% RANGE)
Government of Canada	semi-annual	4.03-6.80%	0-8.00%	4.72-5.27%	0-8.00%
Provincials and Securities					
Guaranteed by Provinces	semi-annual	6.53-6.90%	5.50-8.75%	4.98-5.92%	5.50-10.00%
Corporate Securities	semi-annual	6.19-7.58%	5.50-6.75%	5.09-7.09%	5.40-9.90%

(ii(b)) Bonds and other fixed-term securities - principal amount and carrying amount:

The principal amount and carrying amount are shown by contractual maturity.

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

TERM TO MATURITY	1999		1998	
	PRINCIPAL AMOUNT	CARRYING AMOUNT	PRINCIPAL AMOUNT	CARRYING AMOUNT
<i>(thousands of dollars)</i>				
Government of Canada				
After one through five years	\$ 97,465	\$ 97,919	\$ 186,088	\$ 193,523
After five years	173,854	170,209	65,778	68,415
Provincial and Securities				
Guaranteed by Provinces:				
After one through five years	23,615	25,524	17,532	17,668
After five years	51,224	54,008	48,416	53,127
Corporate Securities:				
Due in one year or less	1,749	1,748	-	-
After one through five years	58,861	58,485	47,839	47,735
After five years	35,927	36,184	39,050	39,480
	<u>\$ 442,695</u>	<u>\$ 444,077</u>	<u>\$ 404,703</u>	<u>\$ 419,948</u>

## (iii) Equities and pooled equity funds:

The Board's investment in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The rates range from 0 to 11.29% on these investments (1998 - 0% to 6.67%).

The Board limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital.

## (iv) Mortgages - principal outstanding:

	CARRYING AMOUNT	1999 EFFECTIVE INTEREST RATES	AVERAGE MATURITY (YEARS)	CARRYING AMOUNT	1998 EFFECTIVE INTEREST RATES	AVERAGE MATURITY (YEARS)
			(thousands of dollars)			
Commercial	\$3,382	7.23	12.5	\$3,490	6.91	9.50
Residential	-	-	-	9	6.93	7.00
	<u>\$3,382</u>	<u>7.23</u>	<u>12.5</u>	<u>\$3,499</u>	<u>6.91</u>	<u>9.00</u>

All mortgages are fixed term and have effective interest rates of 6.56% to 7.87% (1998 - 6.86% to 7.00%). Stated rates range from 7.88% to 11.07% (1998 - 6.20% to 11.07%). Principal and interest is receivable on a monthly basis.



(b) Net investment income was derived from the following sources:

	1999	1998
	(thousands of dollars)	
Cash and short-term securities	\$ 2,529	\$ 3,649
Bonds and other fixed-term securities	21,487	25,007
Equities and pooled equity funds	72,471	50,531
Mortgages	283	310
Real estate	1,369	1,138
Other	126	92
Investment expenses	(2,059)	(1,911)
	<u>\$ 96,206</u>	<u>\$ 78,816</u>

**4 Capital Assets:**

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	
			1999	1998
		(thousands of dollars)		
Land	\$ 1,375	\$ -	\$ 1,375	\$ 1,375
Building	16,757	3,842	12,915	13,418
Office furnishings	2,439	1,422	1,017	1,059
Computer equipment	6,429	4,245	2,184	2,621
Rehabilitation equipment	1,049	910	139	196
Rehabilitation facility	12,994	3,521	9,473	9,798
Software development	14,537	12,517	2,020	2,532
	<u>\$ 55,580</u>	<u>\$ 26,457</u>	<u>\$ 29,123</u>	<u>\$ 30,999</u>

**5 Accounts Payable:**

	1999	1998
	(thousands of dollars)	
Premium refunds	6,021	5,825
Legislated obligation (note 10)	4,600	-
Employee benefits liability	3,146	2,583
Occupational Health & Safety	5,224	4,630
Worker's Advocate	560	492
Prevention Services	614	242
Other payables	2,450	2,369
	<u>\$ 22,615</u>	<u>\$ 16,141</u>

**6 Reserves and Injury Fund:**

	Disaster & Occupational Disease	Second Injury & Re-employment	Reserves Economic Stabilization Reserve	Future Benefits Administration	Contingency Reserve	Injury Fund	Total
	(thousands of dollars)						
BALANCE, beginning of year	\$20,740	\$ 5,185	\$25,925	\$44,937	\$23,000	\$19,339	\$139,126
ADD:							
Net surplus (deficit)	-	-	-	-	-	(6,830)	(6,830)
ADD (LESS):							
Appropriation to fund allocations to employers	6,157	2,327	-	-	-	(8,484)	-
Legislated obligations (note 10)	-	-	-	-	(23,000)	23,000	-
Appropriation to (from) Reserves	1,524	381	1,905	3,302	-	(7,112)	-
ADD (LESS):							
Allocations to employers	(6,157)	(2,327)	-	-	-	8,484	-
	<u>\$22,264</u>	<u>\$ 5,566</u>	<u>\$27,830</u>	<u>\$48,239</u>	<u>\$ 0</u>	<u>\$28,397</u>	<u>\$132,296</u>

In accordance with the Act, the Board under its authority has established reserves to meet costs arising from any disaster or other circumstances the liability for which would unfairly burden employers. These reserves are appropriated to provide cost relief to employers on claims which meet the reserve criteria and to provide for future benefits administration, changes to legislated benefit levels, and protection against large fluctuations in the average premium rate.

**7 Premiums:**

	1999	1998
	(thousands of dollars)	
Premium revenue	\$ 154,733	\$ 157,735
Industry funds debt amortization	5,194	5,931
Industry funds surplus amortization	(9,179)	(10,689)
Merit rebates	(13,843)	(14,331)
Surcharge penalty	4,448	3,258
Government of Canada assessment	2,379	1,686
Industry Safety Associations	<u>(2,233)</u>	<u>(1,933)</u>
	<u>\$ 141,499</u>	<u>\$ 141,657</u>

The Board levies an additional premium on certain industry codes to collect funds which are in turn dispersed to the safety associations representing those industries. In 1998, funds were collected on behalf of and disbursed to the Saskatchewan Forestry Safety Association Inc., Heavy Construction Safety Association of Sask., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan, Prairie Implement Manufacturers Association, Saskatchewan Trucking Association, Saskatchewan Association of Health Organizations, and C6 Safety Association of Saskatchewan.

**8 Declared Rebates**

	1999	1998
	(thousands of dollars)	
Merit rebates	\$ 13,843	\$ 14,331
Declared employer rebate	36,000	23,000
Surplus amortization	9,179	10,689
Surcharge penalty	(4,448)	(3,258)
Debt amortization	(5,194)	(5,931)
Net declared rebates	<u>\$ 49,380</u>	<u>\$ 38,831</u>

**Declared Employer Rebate**

On November 26, 1998, the Board announced its intention to rebate a portion of the surplus in the Injury Fund at December 31, 1998. The Board has also announced its intention to rebate a portion of the operating surplus at December 31, 1999.

Rebates will be paid to employers whose premium contributions exceed costs over the three year period ended December 31, 1999. It is anticipated that approximately 30,000 employers will qualify for this rebate.

**Merit Rebate/Surcharge Penalty Programs**

The Board annually provides awards or applies surcharges to encourage employers to enhance injury prevention and return-to-work activities for their workers. Merit rebates and surcharges are based on how much an employer's injury claims costs are above or below the industry levels.

**Debt/Surplus Amortization Program**

In conjunction with its implementing an actuarially based rate setting model in 1997, the Board undertook to make appropriate adjustments to the annual levy to account for the surpluses and deficits within individual industry codes that had accumulated prior to December 31, 1996. The intention of the debt/surplus amortization program is to account for those industry surpluses or deficits over a five year period.

**9 Benefits Liabilities and Compensation Expense**

Benefits liabilities represents a provision for actuarially determined future benefit payments relating to incurred claims which were discounted to a present value at a real interest rate of 4 1/4% to December 31, 2000 and 3 1/2% thereafter. Estimates of future benefit payments refer to both reported and unreported claims which had arisen from work-related accidents that occurred on or before December 31, 1999.

The benefits liabilities were determined using accepted actuarial practices in accordance with the standards established by the Canadian Institute of Actuaries.

The actuarial present value of future benefit payments reflects management's long-term estimates of economic and actuarial assumptions and methods, which were based on past experience modified for current trends.

As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments. The following key long-term economic assumptions were used in the actuarial valuation of the benefits liabilities:

	1999	1998
Inflation		
- to December 31, 2000	2 3/4%	2 1/4%
- thereafter	3 1/2%	3%
Real future growth in gross wages	1%	1%
Real future increase in medical aid costs	1 1/2%	1 1/2%

The Board believes the amount provided for future payments of incurred claims to be adequate. Long-term economic and actuarial assumptions and methods are reviewed annually at December 31 of each year when independent actuarial evaluations are performed. Adjustments, if any, resulting from the continuous review of entitlements, experience, or from changes in legislation, assumptions or methods, are recorded under compensation expense when such adjustments become known, together with the actuarial cost of claims for reported and unreported work-related accidents that occurred in the year.

#### Benefits Liabilities Continuance Schedule

	1999						1998
	Short Term Disability*	Long Term Disability	Survivor Benefits	Medical Aid	Rehabilitation*	Total	Total
	(thousand of dollars)						
BALANCE, beginning of year	\$ 79,299	\$305,173	\$ 77,054	\$ 92,430	\$ 21,867	\$575,823	\$556,740
ADD: Claim costs incurred:							
Current year injuries	42,531	17,115	4,235	30,850	6,295	101,026	101,126
Prior years' accident	975	30,158	9,653	(290)	598	41,094	34,084
	43,506	47,273	13,888	30,560	6,893	142,120	135,210
DEDUCT: Claim payment made:							
Current year injuries	19,333	73	290	11,806	1,300	32,802	30,740
Prior years' accident	25,322	32,099	10,101	19,572	5,965	93,059	85,387
	44,655	32,172	10,391	31,378	7,265	125,861	116,127
BALANCE, end of year	\$ 78,150	\$320,274	\$ 80,551	\$ 91,612	\$ 21,495	\$592,082	\$575,823

\*Note: The total Short Term Disability plus Rehabilitation benefits corresponds to the Board's Financial Statements, but this schedule follows the actuarial valuation and treats \$4,703,000 of Short Term Disability payments as Rehabilitation payments.

The breakdown of Compensation expense is as follows:

	1999	1998
	(thousands of dollars)	
Claims of 2 years and less duration	\$ 52,528	\$ 47,003
Claims of over 2 years duration	39,393	37,285
Actuarial Adjustment	16,259	19,083
	<u>\$ 108,180</u>	<u>\$ 103,371</u>

**10 Legislated Obligations to Surviving Spouses:**

Effective March 11, 1999 The Special Payment (Dependent Spouses) Act provides that the Board shall pay \$80,000, upon application, to each eligible person who, prior to September 1, 1985, was in receipt of compensation under the Act, but whose compensation was terminated by reason of re-marriage or entering into a new common-law relationship. Eligible individuals are required by this legislation to make an application within two years.

Because the legislation requires the payments to be made out of the Injury Fund, the Board transferred \$23,000,000 from the contingency reserve to the Injury Fund to provide for the liability created by the legislation. In 1999, payments totaling \$18,400,000 have been made to eligible surviving spouses since the passing of this legislation. A further \$4,600,000 has been provided for in the Injury Fund to meet the Board's obligations to potential applicants over the remainder of the two-year term prescribed in the legislation.

**11 Commitments:**

The Board has commitments over the next five years for a base level of computer processing, building rental and equipment leasing, as follows:

<i>(thousands of dollars)</i>				
2000	2001	2002	2003	2004
\$ 4,416	\$ 164	\$ 164	\$ 115	\$ 112

The Board's agreement to lease computer processing capacity expires December 2000 and it is presently in negotiations to renew this contract. The amount of this commitment is not determinable at this time.

**12 Pension Plan:**

The Board has a defined benefit plan for certain of its employees hired before October 1, 1977. The Board values these pension plan assets at market-related values whereby capital appreciation and depreciation, both realized and unrealized, is recognized over a period of four years. Experience gains and losses are amortized using the straightline method over the expected average remaining service life of the plan participants.

The market-related value of the pension plan assets at December 31, 1999 is \$ 27,167,000 (1998 - \$24,941,000) and the present value of accrued pension benefits is \$ 21,800,000 (1998 - \$19,840,000).

All other employees of the Board belong to a money purchase pension plan. Employee contributions to this plan are matched by the Board and expensed in the period made.

Total pension expense for 1999 amounted to \$ 345,000 (1998 - \$552,000).

**13 Related Party Transactions:**

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Board by virtue of common influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

Category (as per financial statements):

	1999	1998
	(thousands of dollars)	
Accounts Receivable - Premiums	\$ 252	\$ 115
Investments	4,513	13,762
Accounts Payable	6,424	5,438
Revenue - Premiums	28,213	26,978
Revenue - Investment Income	583	2,675
Expenses	7,496	6,292

Payments in 1999 for compensation, medical aid and vocational rehabilitation to claimants who were employed by related parties totalled \$18,708,000 (1998 - \$15,730,000).

In addition, the Board pays Saskatchewan Education and Health Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

#### **14 Fair Value of Financial Assets and Liabilities:**

The following method and assumptions were used to estimate the fair value of each class of financial assets and liabilities:

- i) For the following financial assets the fair values are considered to approximate quoted market values on recognized stock exchanges, based on the latest bid or transaction prices:
  - a) bonds and debentures
  - b) equities
  - c) pooled equity funds
- ii) Mortgages: The fair value is calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage using current interest rates.

#### **15 Uncertainty due to the Year 2000 Issue**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

#### **16 Comparative Figures:**

Certain comparative figures have been changed to conform to the current year's presentation.

**Schedule 1 – Administration Expenses**

Year ended December 31, 1999

	<b>1999</b>	<b>1998</b>
	<i>(thousands of dollars)</i>	
Salaries	\$ 16,355	\$ 14,945
Computer processing	5,580	5,163
Amortization of capital assets	4,806	4,803
Employee benefits	2,833	2,199
Consulting services	2,858	1,893
Building operations	1,139	1,037
Communications and postage	1,007	935
Printing, stationery and office supplies	1,508	889
Travel and automobile expenses	861	559
Professional services	747	827
Miscellaneous	718	458
Office rental	230	212
Office machines and equipment	88	101
	<u>38,730</u>	<u>34,021</u>
Less:		
Expenses charged to Government of Canada	766	506
Assessment penalties	800	848
Adjudication fees	148	102
	<u>\$ 37,016</u>	<u>\$ 32,565</u>



## Investments

In 1999 40% of the Board's total revenues were derived from the income earned on the Board's Investment Portfolio. The Board recognizes the significance of this and the important role that the Investment Income plays in the allowing the Board to stabilize assessment rates to the employers of the Province.

Accordingly, the Board has employed the services of an investment consultant firm to review the performance of the professional Investment Managers, contracted by the Board, to ensure that the Board's Investment Policy is adhered to in a manner that would maximize the return earned by the Portfolio. An Investment Committee made up of the full Board and Executive Management, meets quarterly with the Investment Consultant and the Investment Managers to review reports prepared by each summarizing the performance of the Portfolio for the immediately preceding quarter. On an annual basis the Investment Committee reviews the Board's Corporate Investment Policy to ensure that it meets the demands of the Board in an ever changing investment environment.

### Exhibit 1: Statement of Investments

Year ended December 31, 1999

Security	Per Value	Carrying Amount
	(thousands of dollars)	
Government of Canada . . . . .	\$271,319	\$268,128
Alberta Energy . . . . .	1,900	1,897
Hydro Quebec . . . . .	8,279	8,350
Province of British Columbia . . . . .	6,111	5,829
Province of Manitoba . . . . .	5,800	5,860
Province of New Brunswick . . . . .	9,194	10,540
Province of Ontario . . . . .	34,039	37,425
Province of Quebec . . . . .	4,991	5,118
Province of Saskatchewan . . . . .	4,525	4,513
407 International . . . . .	3,684	3,648
Alliance Pipelines . . . . .	850	850
Associates Capital . . . . .	3,559	3,548
Bank of Montreal . . . . .	1,425	1,422
Bank of Nova Scotia . . . . .	2,321	2,307
BC Gas Utility Ltd. . . . .	443	433
Bell Canada . . . . .	3,000	3,006
Bombardier Inc. . . . .	1,094	1,076
Canada Life . . . . .	1,500	1,444

Security	Par Value	Carrying Amount
	(thousands of dollars)	
Canada Trustco Mortgage .....	10,948	10,784
Canadian Imperial Bank of Commerce .....	3,260	3,260
Canadian Natural Resources Ltd. ....	750	749
Canadian Pacific .....	1,287	1,285
Canadian Tire .....	1,336	1,313
Cards Trust .....	2,500	2,500
Case Credit Ltd. ....	850	850
Chrysler Canada .....	2,310	2,307
Citibank Canada .....	1,028	1,027
Ford Motor Credit .....	2,907	2,907
GMAC .....	5,789	5,781
Golden Credit Card .....	1,800	1,800
Greater Toronto Airports Auth. ....	1,556	1,553
Greystone Capital Mgmt. Inc. ....	536	536
GTAA .....	2,975	2,971
Hollis Receivables Term Trust .....	1,851	1,851
IBM .....	1,150	1,150
Master Credit .....	1,175	1,175
Merrill Lynch .....	1,745	1,745
Milit Air Inc. ....	1,875	1,877
National Bank .....	4,225	4,165
NAV Canada .....	1,928	1,927
Nova Gas .....	3,545	3,883
Poco Petroleum Limited .....	475	472
Royal Bank of Canada .....	5,671	5,730
Straight Crossing Dev. Inc. ....	875	843
Toronto Dominion Bank .....	3,957	3,878
Transcanada Pipelines Ltd. ....	4,597	4,526
Trillium Credit Card Trust .....	525	525
Trizec Hahn .....	2,574	2,548
Westcoast Energy Inc. ....	2,661	2,765
Templeton Global Equity Trust .....		60,000
Greystone Emerging Markets Fund .....		7,892
Greystone Non-North American Fund .....		45,604
ATI Technologies .....		173
Bank of Montreal .....		4,627

Security	Per Value	Carrying Amount
	(thousands of dollars)	
Bank of Nova Scotia		9,196
Barrick Gold Corp.		4,674
BCE Inc.		6,055
Biomira Inc.		1,040
Bombardier Inc.		4,384
C-Mac Industries Inc.		3,068
Cameco Corp.		8,416
Canadian National Railway		6,605
Canadian Natural Resources Ltd.		4,052
CanWest Global Communications Corp.		1,245
Celestica Inc.		4,390
Cinram Intl.		3,284
Dofasco Inc.		3,475
Donohue Inc.		1,716
Enerflex Systems		3,181
Imasco Ltd.		3,723
Intertape Polymer		2,886
IPSCO Inc.		4,993
Loblaws Co's Ltd.		1,828
Magellan Aerospace		2,701
Magna Int'l Inc.		7,671
Micrologix Biotech Inc.		1,194
Nortel Networks		4,079
North West Co. Inc.		1,341
Northrock Resources Ltd.		2,226
Penn West Petroleum Limited		2,515
Petro-Canada		4,334
Power Corp of Canada		5,813
Power Financial Corp.		3,050
Quebecor Inc.		2,613
Quebecor Printing		4,695
Royal Bank of Canada		9,835
Royal Group Technologies Ltd.		4,833
Sears Canada		5,116
Shaw Industries		3,290
St. Laurent Paperboard		4,549

Security	Par Value	Carrying Amount
	(thousands of dollars)	
Toronto Dominion Bank . . . . .		7,106
Acme Metals Inc. . . . .		213
Allstate Corp. . . . .		722
American Int'l Group . . . . .		376
Amgen Inc. . . . .		690
Anheuser-Busch Co. Inc. . . . .		1,441
BankAmerica Corp. . . . .		777
Brinker Int'l Inc. . . . .		728
Capital One Financial Co. . . . .		362
Cardinal Health Inc. . . . .		654
Carnival Corp. . . . .		619
Central Newspapers . . . . .		928
Church & Dwight Co. Inc. . . . .		573
Coastal Corp. . . . .		917
Compuware Corporation . . . . .		784
Computer Associates International . . . . .		827
Conoco Inc. . . . .		767
Duke Power Co. . . . .		597
Exxon Mobil Corp. . . . .		1,080
Fleet Boston Financial Corporation . . . . .		249
General Electric Co. . . . .		616
Georgia Pac Corp. . . . .		885
Goodrich BF Co. . . . .		844
Honeywell Intl. . . . .		1,426
Lear Corporation . . . . .		921
Lucent Technologies Inc. . . . .		455
Marriott Int'l Inc. . . . .		350
MCI Worldcom Inc. . . . .		426
Microsoft Corp. . . . .		428
Miller Herman Inc. . . . .		826
Procter & Gamble Co. . . . .		281
Public Services Enterprises Group . . . . .		693
Safeway Inc. . . . .		575
SBC Communications Inc. . . . .		735
Schering Plough Corp. . . . .		722
Sun Microsystems Inc. . . . .		517

Security	Par Value	Carrying Amount
	<i>(thousands of dollars)</i>	
Texas Instruments		984
TJX Companies		965
Xerox Corp.		775
Airways III		3
Brampton Business Park		2,848
Centennial Towers Ottawa		2,754
Circle Properties Ltd.		2,515
Conventional Mortgages		2,742
Hewlett - Packard		3,712
Kent Corporate Centre		804
Meridian Business Centre		81
NHA Guaranteed Mortgage		640
Parkway Mall		1,788
Pension Fund Realty		223
Terra Lora Shopping Centre		1,492
Westhills Equity Inc.		887
	<u>\$442,695</u>	<u>\$764,762</u>

Security	Par Value	Fair Value	Carrying Amount
		(thousands of dollars)	
Government of Canada Bonds	\$271,319	\$261,011	\$268,128
Provincial Bonds	74,839	75,626	79,532
Corporate Bonds	<u>96,537</u>	<u>92,797</u>	<u>96,417</u>
	442,695	429,434	444,077
Templeton Global Equity Trust		108,763	60,000
Greystone Emerging Markets Fund		9,204	7,892
Greystone Non-North American Equity Fund		68,747	45,604
Canadian Equities		247,061	159,972
American Equities	<u></u>	<u>51,663</u>	<u>26,728</u>
	442,695	485,438	300,196
Mortgages and Real Estate	<u></u>	<u>22,159</u>	<u>20,489</u>
	<u>\$442,695</u>	<u>\$937,031</u>	<u>\$764,762</u>

**Exhibit 2: Statement of Investment Dispositions**

Year ended December 31, 1999

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
	Acme Metals Inc.	U.S. Equity	\$ 1	\$ 84
	Adaptec Inc.	U.S. Equity	82	175
	Airways III	Canadian Equity	782	782
	Allstate Corp.	U.S. Equity	869	753
	American Int'l Group	U.S. Equity	2,152	450
	Amgen Inc.	U.S. Equity	1,523	583
	ATI Technologies	Canadian Equity	11,919	4,549
	Bank of Montreal	Canadian Equity	2,590	1,716
	Bank of Nova Scotia	Canadian Equity	491	332
	Bank One Corp.	U.S. Equity	322	514
	BankAmerica Corp.	U.S. Equity	750	375
	BCE Inc.	Canadian Equity	9,159	3,242
5.550	BCE Inc.	September 04, 2001	1,303	1,299
	Biomira Inc.	Canadian Equity	778	1,203
5.650	BMO	December 01, 2003	1,435	1,425
	Bombardier Inc.	Canadian Equity	1,522	715
6.000	Bombardier Inc.	February 20, 2003	1,191	1,177
	BT Shipping Ltd.	U.S. Equity	4	60
	C-Mac Industries	Canadian Equity	906	496
	Cameco Corp.	Canadian Equity	208	248
5.375	Canada Trustco Mortgage	April 01, 2002	218	218
4.875	Canada Trustco Mortgage	February 01, 2002	112	112
5.000	Canada Trustco Mortgage	July 01, 2004	86	86
5.125	Canada Trustco Mortgage	November 01, 2002	169	169
	Canadian National Railway	Canadian Equity	292	242
	Canadian Natural Resources Ltd.	Canadian Equity	196	150
6.650	Canadian Pacific	June 01, 2005	506	506
	CanWest Global Communications Corp.	Canadian Equity	4,460	1,911
	Capital One Financial Co.	U.S. Equity	719	154
	Cardinal Health Inc.	U.S. Equity	466	262
	Carnival Corp.	U.S. Equity	489	141
	Caterpillar Inc.	U.S. Equity	926	590
	Celestica Inc.	Canadian Equity	1,904	1,129
	Central Newspapers	U.S. Equity	76	71

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
<i>(thousands of dollars)</i>				
	Coastal Corp.	U.S. Equity	66	35
	Columbia/HCA Healthcare	U.S. Equity	416	466
	Computer Associates International	U.S. Equity	296	170
	Conventional Mortgages	Canadian Equity	73	73
	Donohue Inc.	Canadian Equity	3,499	1,518
	Duke Power Co.	U.S. Equity	630	536
	Edperbrascan Corp.	Canadian Equity	2,336	1,632
5.600	Enbridge Pipe	November 24, 2005	460	475
	Enerflex Systems	Canadian Equity	101	105
6.800	Epcor Utilities	June 28, 2029	804	823
	Exxon Mobil Corp.	U.S. Equity	344	178
	Fleet Boston Corporation	U.S. Equity	278	80
5.640	Ford Motor Credit	April 23, 2003	126	128
	GEAC Computer Corp.	Canadian Equity	970	2,181
	General Electric Co.	U.S. Equity	635	151
5.500	GMAC	April 01, 2002	173	175
5.650	GMAC	July 24, 2001	2,970	2,994
5.550	GMAC	July 07, 2000	2,039	2,036
5.000	Government of Canada	December 01, 2000	11,536	11,565
5.250	Government of Canada	December 01, 2001	44,975	45,050
7.500	Government of Canada	December 01, 2003	1,950	1,972
8.750	Government of Canada	December 01, 2005	462	463
7.000	Government of Canada	December 01, 2023	21,877	22,112
4.000	Government of Canada	December 01, 2031	2,625	2,620
4.500	Government of Canada	June 01, 2001	130,631	130,519
7.250	Government of Canada	June 01, 2003	13,526	13,547
6.500	Government of Canada	June 01, 2004	53,087	53,904
7.250	Government of Canada	June 01, 2007	35,927	35,415
6.000	Government of Canada	June 01, 2008	4,548	4,493
5.500	Government of Canada	June 01, 2009	111,843	112,460
5.500	Government of Canada	June 01, 2010	16,060	15,619
8.000	Government of Canada	June 01, 2023	36,467	37,057
8.000	Government of Canada	June 01, 2027	19,741	19,669
5.750	Government of Canada	June 01, 2029	320,847	325,232
5.000	Government of Canada	March 15, 2000	43,655	43,644
7.000	Government of Canada	September 01, 2001	32,256	32,327



Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
5.500	Government of Canada	September 01, 2002	110,648	112,429
5.250	Government of Canada	September 01, 2003	177,997	179,870
7.000	Graystone Capital Mgmt. Inc.	October 24, 2007	67	67
	Graystone Capital Mgmt. Inc.	Canadian Equity	311	106
	Graystone Emerging Markets Fund	Canadian Equity	908	940
	Graystone Non-North American Fund	Canadian Equity	4,400	3,093
	Halliburton Co.	U.S. Equity	501	424
6.205	Hollis Receivables Term Trust	September 21, 2004	1,265	1,277
	Household International Inc.	U.S. Equity	685	302
	Imasco Ltd.	Canadian Equity	391	141
	Intertape Polymer	Canadian Equity	81	78
	IPSCO Inc.	Canadian Equity	3,002	2,237
	Loblaw Co's Ltd.	Canadian Equity	150	60
	Lucent Technologies Inc.	U.S. Equity	857	181
	Magellan Aerospace	Canadian Equity	93	89
	Magna Int'l Inc.	Canadian Equity	338	358
	Marriott Int'l Inc.	U.S. Equity	201	95
	MCI Worldcom Inc.	U.S. Equity	225	71
	Melfort Mall	Canadian Equity	623	998
	Meridian Business Centre	Canadian Equity	508	508
	MICC Guaranteed Mortgage	Canadian Equity	9	9
	Microsoft Corp.	U.S. Equity	231	49
	Miller Harman Inc.	U.S. Equity	224	189
5.800	Mutual Life	May 15, 2008	1,205	1,211
5.000	National Bank	August 01, 2003	244	244
	NHA Guaranteed Mortgage	Canadian Equity	35	35
	Nortel Networks Corp.	Canadian Equity	11,818	3,049
	Oakwood Homes Corp.	U.S. Equity	158	359
	Petro-Canada	Canadian Equity	1,093	1,092
	Placer Dome Inc.	Canadian Equity	6,745	8,972
	Poco Petroleum Limited	Canadian Equity	4,223	4,390
6.600	Poco Petroleum Limited	September 11, 2007	3,796	3,970
	Power Corp. of Canada	Canadian Equity	145	154
	Power Financial Corp.	Canadian Equity	2,189	896
6.850	Precision Drill	June 26, 2007	2,176	2,217
	Procter & Gamble Co.	U.S. Equity	116	29

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
<i>(thousands of dollars)</i>				
7.750	Province of Manitoba	September 14, 2000	5,216	5,210
7.750	Province of Ontario	July 24, 2006	1,242	1,249
6.500	Province of Ontario	March 08, 2029	3,732	4,153
8.000	Province of Ontario	March 11, 2003	2,247	2,322
7.600	Province of Ontario	June 02, 2027	1,255	1,213
10.000	Province of Saskatchewan	May 15, 2004	7,539	7,214
	Quebecor Inc.	Canadian Equity	143	84
5.400	Royal Bank of Canada	April 07, 2003	969	975
	Royal Bank of Canada	Canadian Equity	4,250	3,696
5.125	Royal Bank of Canada	January 01, 2003	258	258
6.750	Royal Bank of Canada	June 04, 2007	540	529
	Safeway Inc.	U.S. Equity	568	173
	Saskatchewan Wheat Pool	Canadian Equity	439	598
	SBC Communications Inc.	U.S. Equity	100	44
	Schering Plough Corp.	U.S. Equity	531	143
	Sears Canada	Canadian Equity	226	163
6.550	Sears Canada	November 05, 2007	1,115	1,143
	Show Industries	Canadian Equity	136	157
	St. Laurent Paperboard	Canadian Equity	182	182
	Sun Microsystems Inc.	U.S. Equity	1,484	463
	Suncor Energy Inc.	Canadian Equity	3,204	1,912
	TJX Companies	U.S. Equity	291	124
4.875	Toronto Dominion Bank	April 01, 2004	193	193
FR	Toronto Dominion Bank	September 05, 2006	555	549
5.640	Toronto Hospital	December 08, 2022	899	899
6.050	Transcanada Pipelines Ltd.	February 15, 2007	380	374
7.900	Transcanada Pipelines Ltd.	April 15, 2027	1,308	1,290
	Transocean Offshore Inc.	U.S. Equity	469	563
7.450	Trizec Hahn	June 01, 2004	1,125	1,119
6.100	Trizec Hahn	September 01, 2000	822	824
	Viking Rideau	Canadian Equity	917	917
	Westhills Equity Inc.	Canadian Equity	3	3
	Xerox Corp.	U.S. Equity	148	165
			<u>\$1,346,979</u>	<u>\$1,316,433</u>

**Exhibit 3: Statement of Investment Acquisitions**

Year ended December 31, 1999

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
(thousands of dollars)				
6.470	407 International	July 27, 2029	\$ 3,684	\$ 3,648
	Airways III	Canadian Equity		461
7.150	Alberta Energy	December 17, 2009	925	922
7.230	Alliance Pipelines	June 30, 2015	850	850
	Anheuser-Busch Co. Inc.	U.S. Equity		172
5.550	Associates Capital	June 02, 2003	378	364
	Bank of Montreal	Canadian Equity		901
5.400	Bank of Montreal	June 02, 2003	1,425	1,421
	Bank of Nova Scotia	Canadian Equity		1,082
	Bank One Corp.	U.S. Equity		514
	BankAmerica Corp.	U.S. Equity		424
	Barrick Gold Corp.	Canadian Equity		4,674
6.200	BC Gas Utility Ltd.	June 02, 2008	443	433
	BCE Inc.	Canadian Equity		238
	Biomira Inc.	Canadian Equity		170
	Bombardier Inc.	Canadian Equity		708
	Brinker Int'l Inc.	U.S. Equity		728
	C-Mac Industries Inc.	Canadian Equity		546
	Cameco Corp.	Canadian Equity		639
6.400	Canada Life	December 11, 2028	500	445
5.000	Canada Trustco Mortgage	July 01, 2004	4,000	3,886
	Canadian National Railway	Canadian Equity		1,463
	Canadian Natural Resources Ltd.	Canadian Equity		476
6.850	Canadian Natural Resources Ltd.	May 28, 2004	750	749
6.650	Canadian Pacific	June 01, 2005	1,794	1,790
5.700	Canadian Tire	June 09, 2008	375	354
	Cardinal Health Inc.	U.S. Equity		290
	Carnival Corp.	U.S. Equity		112
6.300	Case Credit Ltd.	June 01, 2001	850	849
	Celestica Inc.	Canadian Equity		5,518
	Central Newspapers	U.S. Equity		43
	Church & Dwight Co. Inc.	U.S. Equity		573
	Cinram Intl.	Canadian Equity		142
5.800	Citibank Canada	July 23, 2004	1,028	1,027
	Compuware Corporation	U.S. Equity		784

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
(thousands of dollars)				
	Computer Associates International	U.S. Equity		297
	Conoco Inc.	U.S. Equity		488
	Dofasco Inc.	Canadian Equity		3,475
	Donohue Inc.	Canadian Equity		252
	Duke Power Co.	U.S. Equity		271
	Enerflex Systems	Canadian Equity		112
6.800	Epcore Utilities	June 28, 2029	825	823
	Fleet Boston Financial Corporation	U.S. Equity		99
	GEAC Computer Corp.	Canadian Equity		47
	Georgia Pac Corp.	U.S. Equity		885
5.500	GMAC	April 01, 2002	2,067	2,062
6.010	Golden Credit Card	July 15, 2004	1,800	1,800
	Goodrich BF Co.	U.S. Equity		844
5.000	Government of Canada	December 01, 2000	2,565	2,578
5.250	Government of Canada	December 01, 2001	81,461	80,774
7.500	Government of Canada	December 01, 2003	4,400	4,836
8.750	Government of Canada	December 01, 2005	400	463
7.000	Government of Canada	December 01, 2006	4,675	5,146
4.250	Government of Canada	December 01, 2021	3,532	3,562
4.000	Government of Canada	December 01, 2031	2,588	2,620
4.500	Government of Canada	June 01, 2001	132,073	130,505
7.250	Government of Canada	June 01, 2003	14,417	15,488
7.250	Government of Canada	June 01, 2007	31,584	35,427
6.000	Government of Canada	June 01, 2008	4,475	4,493
5.500	Government of Canada	June 01, 2009	134,608	137,103
5.500	Government of Canada	June 01, 2010	66,497	64,688
8.000	Government of Canada	June 01, 2023	18,946	24,185
8.000	Government of Canada	June 01, 2027	32,382	39,410
5.750	Government of Canada	June 01, 2029	349,238	359,509
5.000	Government of Canada	March 15, 2000	35,127	35,159
7.000	Government of Canada	September 01, 2001	17,500	18,171
5.500	Government of Canada	September 01, 2002	53,419	53,811
5.250	Government of Canada	September 01, 2003	167,798	168,522
6.000	Government of Canada	September 01, 2005	19,806	19,761
6.450	Greater Toronto Airports Auth.	July 30, 2029	1,556	1,552
	Greystone Emerging Markets Fund	Canadian Equity		342

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
			<i>(thousands of dollars)</i>	
	Greystone Non-North American Equity Fund	Canadian Equity		12,694
6.205	Hollis Receivables Term Trust	September 21, 2004	3,128	3,128
	Honeywell Intl.	U.S. Equity		1,426
5.500	Hydro Quebec	May 15, 2003	5,247	5,317
	Imasco Ltd.	Canadian Equity		188
	Intertape Polymer	Canadian Equity		2,905
	IPSCO Inc.	Canadian Equity		584
	Lear Corporation	U.S. Equity		222
	Loblaw Co's Ltd.	Canadian Equity		430
	Magellan Aerospace	Canadian Equity		173
	Magna Int'l Inc.	Canadian Equity		633
	Marriott Int'l Inc.	U.S. Equity		105
	Meridian Business Centre	Canadian Equity		153
6.500	Merrill Lynch	November 18, 2002	1,745	1,745
	Micrologix Biotech Inc.	Canadian Equity		168
	Microsoft Corp.	U.S. Equity		177
5.000	National Bank	August 01, 2003	3,969	3,904
5.700	National Bank	April 16, 2014	500	498
	Nortel Networks	Canadian Equity		241
	North West Co. Inc.	Canadian Equity		118
	Northrock Resources Ltd.	Canadian Equity		2,226
	Penn West Petroleum Limited	Canadian Equity		2,515
	Petro-Canada	Canadian Equity		185
	Placer Dome Inc.	Canadian Equity		296
	Poco Petroleum Limited	Canadian Equity		343
6.400	Poco Petroleum Limited	December 03, 2003	475	472
	Power Corp of Canada	Canadian Equity		1,898
	Power Financial Corp.	Canadian Equity		1,102
6.250	Province of British Columbia	December 01, 2009	829	822
6.000	Province of British Columbia	June 09, 2008	1,571	1,647
5.700	Province of British Columbia	June 18, 2029	1,711	1,438
5.750	Province of Manitoba	June 02, 2008	2,675	2,751
7.600	Province of Ontario	June 02, 2027	350	440
6.500	Province of Ontario	March 08, 2029	4,157	4,552
6.200	Province of Ontario	November 19, 2009	4,285	4,183

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
<i>(thousands of dollars)</i>				
7.750	Province of Ontario	July 24, 2006	1,515	1,742
8.000	Province of Ontario	March 11, 2003	6,290	6,905
	Public Services Enterprises Group	U.S. Equity		67
	Quebecor Inc.	Canadian Equity		418
	Quebecor Printing	Canadian Equity		4,695
	Royal Bank of Canada	Canadian Equity		1,320
	Royal Group Technologies Ltd.	Canadian Equity		1,014
	Safeway Inc.	U.S. Equity		126
	Sears Canada	Canadian Equity		572
	Shaw Industries	Canadian Equity		383
6.170	Straight Crossing Dev. Inc.	September 15, 2031	875	843
	St. Laurent Paperboard	Canadian Equity		303
	Suncor Energy Inc.	Canadian Equity		70
	Texas Instruments	U.S. Equity		984
4.875	Toronto Dominion Bank	April 01, 2004	4,150	4,064
	Toronto Dominion Bank	Canadian Equity		7,106
5.350	Trillium Credit Card Trust	February 23, 2004	525	525
6.000	Trizec Hahn	September 03, 2002	825	797
7.300	Westcoast Energy Inc.	December 18, 2036	750	827
	Westhills	Canadian Equity		844
	Xerox Corp.	U.S. Equity		173
			<u>\$1,246,313</u>	<u>\$1,350,413</u>